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DEPARTMENT OF THE AIR FORCE

JUSTIFICATION OF AMENDED FISCAL YEARS 1988/1989 BIENNIAL BUDGET ESTIMATES SUBMITTED TO CONGRESS FEBRUARY 1988

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DEPARTMENT OF THE

AIR FORCE

AMENDED FY 1988/FY 1989 BIENNIAL BUDGET

SUBMITTED

FEBRUARY 1988



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MILITARY PERSONNEL, AIR FORCE

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SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM

(In Thousands of Dollars)

Title	FY 1987 Actual	FY 1988 Estimate	FY 1989 Estimate
<u>DIRECT PROGRAM</u>			
Pay and Allowances of Officers.	\$ 6,215,721	\$ 6,271,818	\$ 6,434,996
Pay and Allowances of Enlisted.	11,718,467	11,832,994	11,894,077
Pay and Allowances of Cadets.	33,536	33,823	34,942
Subsistence of Enlisted Personnel.	861,542	869,035	874,240
Permanent Change of Station Travel.	823,009	769,890	820,643
Other Military Personnel Costs.	41,083	38,400	35,302
Total Direct Program	\$ 19,693,358	\$ 19,815,960	\$ 20,094,200
<u>REIMBURSABLE PROGRAM</u>			
Pay and Allowances of Officers.	\$ 80,652	\$ 81,438	\$ 79,472
Pay and Allowances of Enlisted.	56,193	56,244	52,721
Subsistence of Enlisted Personnel.	48,472	50,432	52,316
Permanent Change of Station Travel.	1,470	1,529	1,587
Total Reimbursable Program	\$186,787	\$189,643	\$186,096
<u>TOTAL PROGRAM</u>			
Pay and Allowances of Officers.	\$ 6,296,373	\$ 6,353,256	\$ 6,514,468
Pay and Allowances of Enlisted.	11,774,660	11,889,238	11,946,798
Pay and Allowances of Cadets.	33,536	33,823	34,942
Subsistence of Enlisted Personnel.	910,014	919,467	926,556
Permanent Change of Station Travel.	824,479	771,419	822,230
Other Military Personnel Costs.	41,083	38,400	35,302
Total Obligations.	\$ 19,880,145	\$ 20,005,603	\$ 20,280,296

SECTION 2

INTRODUCTORY STATEMENT

The Military Personnel, Air Force Appropriation provides financial resources to compensate active military personnel required to support the approved force structure. The Appropriation also includes funds for retired pay accrual, unemployment compensation and social security benefits for widows and orphans of military personnel. Addition of these entitlements were approved by Congress and enacted via Public Law.

The tables in ~~Sections 1 through 4~~ contain budget data for Pay and Allowances of Officers, Enlisted and Cadets, Subsistence of Enlisted Personnel, Permanent Change of Station Travel, and other requirements of the military personnel program. Retired pay accrual is reflected under pay and allowances of Officers and Enlisted personnel as appropriate, unemployment compensation and restored social security benefits are under Other Military Personnel costs. The budget activity structure and detailed justification demonstrate how the military personnel program is managed and controlled. It displays the numbers of officers, enlisted personnel and cadets, and reflects the planned execution of promotion and assignment policies. This management picture encompasses a wide range of personnel actions that involve requirements dealing with grade structure, promotions, gains and losses, flight status, subsistence, permanent change of station travel and other related requirements. *Keywords: Air force budgets, military pay. (SDU)*

FISCAL YEAR 1988

The Fiscal Year 1988 column has been adjusted to reflect the impact of the funding levels appropriated for FY 88. The level of funding has resulted in the FY 88 manpower being reduced by approximately 23,000 from the Congressionally authorized levels of 598,700. This is the largest one year reduction since the post South East Asia draw down in 1973. This leaves the Air Force only slightly larger than in FY 1981. The level of funding reflected in this budget supports a manning level of only 95 percent. To stay within the dollars appropriated, the Air Force was forced to take actions that will have significant negative impacts on the force today and in the future. Enlisted non prior service accessions were reduced to the lowest level in the history of the Air Force (40,000). Also included in the program is a date of separation (DOS) rollback of approximately 20,000 enlisted personnel. Enlisted personnel with a DOS in the last half of FY 88 will be separated in March 88 and those with a DOS in the first half of FY 89 will be separated in April 1988. We have also reduced the number of PCS moves by 23,000. Overseas vacancies are not filled until unit manning levels drop below 90%. Stateside vacancies are not filled with CONUS moves until unit manning levels drop below 85%. The Air Force continues to reduce its top five grades. In FY 88 these grades will drop from 228,000 to 226,000 but because of the management actions which affected the end strength and the lower grades, the percentage will increase from 46 percent in FY 87 to 48.6 percent in FY 88. The Air Force (and OSD) believe reductions in the top five grades below 226,000 during this time of turbulence would have an adverse impact on the force and would not provide the cadre of experienced NCOs needed in time of mobilization and rapid force expansion.

Both the FY 1988 and FY 1989 budgets are built on the premise that a Foreign Currency Fluctuation Account will be established for the Military Personnel, Air Force appropriation (MPAF). We strongly support this action. The establishment of this Account will stabilize the funding of the MPAF. Potential losses in our operating capability will be eliminated as we would no longer be required to fund those costs associated with currency fluctuations. The need for implementation of this account within FY 88 is critical. We are currently facing a \$197M shortfall in FY 1988. It is not possible, this late in the year, to find alternative acceptable actions within the MPAF, in addition to those already implemented as outlined above, that would produce enough dollars to cover the shortfall. We agree that the best long-term solution for solving the funding of the Overseas Station Allowance is to allow the MPAF to participate in the Foreign Currency Fluctuation Account.

FISCAL YEAR 1989

The total FY 89 end strength is 575,600. This is a level program from FY 88. As stated above, PCS manning floors are restored to FY 87 levels (90% CONUS/95% Overseas) vice the 85% CONUS and 90% Overseas floors established in FY 88 as temporary measures. The sustained application of lower manning floors at the FY 88 levels would create significant manning gaps and skill level imbalances which seriously jeopardize the Air Force's ability to meet global commitments and provide equitable treatment to our people (see page 105).

As in FY 88, the Air Force continues to reduce the top five grades. Top five grades will be reduced to approximately 224,000 equating to 48 percent of the total enlisted end strength. In times when significant end reductions are being made, we need to maintain a more senior force to help us through the transition to the lower total end strengths.

Section 3

SUMMARY OF MILITARY PERSONNEL STRENGTH

	FY 1987 Actual		FY 1988 Planned		FY 1989 Planned	
	Work- Years	End Strength 30 Sep 1987	Work- Years	End Strength 30 Sep 1988	Work- Years	End Strength 30 Sep 1989
<u>DIRECT PROGRAM</u>						
Officers.....	107,691	106,613	105,699	104,800	104,543	104,824
Enlisted.....	493,981	494,308	480,863	464,734	467,533	464,818
Academy Cadets.....	4,345	4,453	4,270	4,417	4,280	4,417
Total Direct Program.....	606,017	605,374	590,832	573,951	576,356	574,059
<u>Reimbursable Program 1/</u>						
Officers.....	1,244	725	1,258	738	1,224	714
Enlisted.....	1,793	936	1,795	914	1,659	827
Total Reimbursable Program.	3,037	1,661	3,053	1,652	2,883	1,541
<u>TOTAL PROGRAM</u>						
Officers.....	108,935	107,338	106,957	105,538	105,767	105,538
Enlisted.....	495,774	495,244	482,658	465,648	469,192	465,645
Academy Cadets.....	4,345	4,453	4,270	4,417	4,280	4,417
Total Program.....	609,054	607,035	593,885	575,603	579,239	575,600

1/ Military personnel assigned to agencies outside the Air Force on a reimbursable basis under the provisions of 10 U.S.C. 8230 (Air Force).

Military Personnel, Air Force
End Strength by Grade 1/
(Total Program)

Commissioned Officers	30 Sep FY 1987	Reimbursables		30 Sep FY 1988	Reimbursables		30 Sep FY 1989	Reimbursables	
		Included	0		Included	0		Included	0
0-10 General	13	0		12	0		12	0	
0-9 Lt General	38	0		38	0		38	0	
0-8 Maj General	115	2		116	3		116	3	
0-7 Brig General	166	1		167	1		167	1	
0-6 Colonel	5,617	54		5,536	56		5,523	56	
0-5 Lt Colonel	12,519	146		12,405	149		12,358	140	
0-4 Major	19,925	232		19,648	235		19,651	230	
0-3 Captain	42,689	253		42,764	255		43,211	251	
0-2 1st Lieutenant	15,099	29		13,539	31		11,574	29	
0-1 2nd Lieutenant	11,157	8		11,313	8		12,888	4	
Total	107,338	725		105,538	738		105,538	714	

Enlisted Personnel	30 Sep FY 1987	Reimbursables		30 Sep FY 1988	Reimbursables		30 Sep FY 1989	Reimbursables	
		Included	9		Included	7		Included	7
E-9 Chief Master Sergeant	4,935	48		4,852	45		4,656	37	
E-8 Senior Master Sergeant	9,884	124		9,704	121		9,313	105	
E-7 Master Sergeant	39,180	130		38,867	127		39,580	118	
E-6 Technical Sergeant	59,451	237		59,022	233		58,206	220	
E-5 Staff Sergeant	114,451	218		113,686	215		111,756	205	
E-4 Sergeant	119,996	170		116,985	166		118,581	135	
E-3 Airman First Class	97,028	-		87,694	-		85,592	-	
E-2 Airman	31,803	-		20,323	-		21,968	-	
E-1 Airman Basic	18,516	-		14,515	-		15,993	-	
Total	495,244	936		465,648	914		465,645	827	
Cadets	4,453	-		4,417	-		4,417	-	
Total End Strengths	607,035	1,661		575,603	1,652		575,600	1,541	

1/ Excludes active duty personnel paid from Civil Functions, Reserve, and Guard Appropriations.

Military Personnel, Air Force
Average Strength by Grade 1/
(Total Program)

Commissioned Officers	30 Sep FY 1987	Reimbursables Included	30 Sep FY 1988	Reimbursables Included	30 Sep FY 1989	Reimbursables Included
	12	0	12	0	12	0
0-10 General	39	0	37	0	38	0
0-9 Lt General	116	2	113	3	116	3
0-8 Maj General	169	1	164	1	167	1
0-7 Brig General	5,695	55	5,643	58	5,567	52
0-6 Colonel	12,656	261	12,500	262	12,534	259
0-5 Lt Colonel	20,207	435	19,812	439	19,724	428
0-4 Major	41,490	443	42,397	445	42,065	439
0-3 Captain	14,932	39	14,947	42	13,841	38
0-2 1st Lieutenant	13,619	8	11,332	8	11,703	4
0-1 2nd Lieutenant	108,935	1,244	106,957	1,258	105,767	1,224
Total						
Enlisted Personnel						
E-9 Chief Master Sergeant	5,008	9	4,994	7	4,759	7
E-8 Senior Master Sergeant	9,899	50	9,892	50	9,539	48
E-7 Master Sergeant	39,314	241	39,580	241	39,280	229
E-6 Technical Sergeant	59,445	252	59,787	252	58,728	241
E-5 Staff Sergeant	114,047	476	114,853	478	112,833	415
E-4 Sergeant	117,580	427	113,529	429	110,924	392
E-3 Airman First Class	96,658	338	95,578	338	85,177	327
E-2 Airman	35,391	-	31,469	-	30,300	-
E-1 Airman Basic	18,432	-	12,976	-	17,652	-
Total	495,774	1,793	482,658	1,795	469,192	1,659
Cadets	4,345	-	4,270	-	4,280	-
Total Average Strength	609,054	3,037	593,885	3,053	579,239	2,883

1/ Excludes active duty personnel paid from Civil Functions, Reserve, and Guard Appropriations.

MILITARY PERSONNEL
ACTIVE DUTY STRENGTHS BY MONTHS 1/
(IN THOUSANDS)

2/

	FY 87			FY 88			FY 89		
	OFFICER	ENLISTED	CADET TOTAL*	OFFICER	ENLISTED	CADET TOTAL*	OFFICER	ENLISTED	CADET TOTAL*
SEPTEMBER	109.0	494.7	4.5 608.2	107.1	495.2	4.5 607.0	105.5	465.6	4.4 575.5
OCTOBER	109.1	496.8	4.5 610.4	107.2	494.5	4.4 606.1	105.2	466.9	4.4 576.5
NOVEMBER	109.1	496.4	4.5 610.0	107.1	494.1	4.4 605.6	105.1	466.9	4.4 576.4
DECEMBER	109.1	498.4	4.4 611.9	107.1	493.9	4.4 605.4	105.3	468.2	4.3 577.8
JANUARY	109.2	499.7	4.4 613.3	107.3	493.8	4.4 605.5	105.5	469.8	4.3 579.6
FEBRUARY	109.1	499.9	4.4 613.4	107.2	494.5	4.3 606.0	105.4	470.7	4.3 580.4
MARCH	109.1	498.1	4.4 611.6	107.2	483.6	4.3 595.1	105.6	471.8	4.3 581.7
APRIL	108.8	491.4	4.3 604.5	107.1	473.3	4.3 584.7	105.5	471.6	4.3 581.4
MAY	109.6	490.5	3.3 603.4	106.9	472.3	4.3 583.5	105.6	470.4	4.2 580.2
JUNE	109.5	491.3	4.6 605.4	107.4	471.1	3.2 581.7	106.9	468.9	3.2 579.0
JULY	108.9	493.4	4.5 606.8	106.9	469.8	4.5 581.2	106.4	468.6	4.5 579.5
AUGUST	108.0	494.6	4.5 607.1	106.2	467.8	4.4 578.4	106.0	467.2	4.4 577.6
SEPTEMBER	107.3	495.2	4.5 607.0	105.5	465.6	4.4 575.6	105.5	465.6	4.4 575.6
WORKYEARS	108.9	495.8	4.3 609.0	107.0	482.7	4.3 594.0	105.8	469.2	4.3 579.2

1/ Includes reimbursable active military pay strengths, but excludes active duty personnel paid from civilian functions, Reserve and National Guard

2/ FY 1988 end strength includes actuals through DEC 1987

* May not add due to rounding

GAINS AND LOSSES BY SOURCE AND TYPE

OFFICERS

Gains (by Source): 1/	Actual FY 1987	PRQJ FY 1988	PRQJ FY 1989
Service Academies	969	1,069	987
ROTC 2/	2,654	3,061	3,998
Scholarship	1,300	1,361	1,256
Non Scholarship	1,354	1,700	2,742
Health Professions Scholarships	339	368	414
Officer Training School	1,592	940	1,668
(AECOP Included in OTS total)	241	257	106
Voluntary Active Duty 3/	28	25	25
Direct Appointments 4/	1,249	1,344	1,430
Gain Adjustments	0	0	0
Total Gains	6,831	6,807	8,522
Losses (by Type):			
Expiration of Contract/Obligation	3,500	3,531	3,834
Retirement	3,675	3,999	3,698
Disability	122	150	150
Non-disability	3,553	3,849	3,548
Involuntary Separation of Reserve Off	389	135	150
Involuntary Separation of Regular Off	313	265	200
Reduction in Force	0	0	0
Attrition	664	677	640
Loss Adjustment	0	0	0
Total	8,541	8,607	8,522

Notes:

1/ Includes Accessions only

2/ Includes ROTC line, JAG, and Medical Officers

3/ Line Recall only

4/ Includes all Chaplains, and all JAG, and Medical Officers not accessed through ROTC or HPSP programs

GAINS AND LOSSES BY SOURCE AND TYPE (continued)

	<u>ENLISTED</u>	
	<u>FY 1987</u>	<u>FY 1988</u>
<u>Gains (by source):</u>		
Non Prior Service Enlistments	55,000	40,000
Male	44,688	32,145
Female	10,312	7,855
Prior Service Enlistments	1,142	410
Reenlistments	67,174	63,328
Reserves	46	147
Officer Candidate Programs	1,083	912
Returned from Dropped from the Rolls	0	0
Other	339	250
Gain Adjustment	1,689	371
Total Gains	126,473	105,418
		115,314
<u>Losses (by type):</u>		
ETS	21,041	23,510
Normal Early Release	3,104	3,000
Programmed Early Release	0	10,200
To Commission Officer	1,644	975
Reenlistment	67,174	63,328
Retirement	9,283	10,863
Dropped from Rolls (Deserters)	40	40
Attrition	23,388	22,091
Other	0	0
Loss Adjustments	221	7
Total Losses	125,895	135,014
		115,317
		14,424
		3,000
		0
		1,645
		62,400
		10,962
		40
		22,846
		0
		0

CAVETS

GAINS AND LOSSES BY SOURCE AND TYPE (Continued)

	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Gains:	1,363	1,418	1,425
Losses:	1,395	1,454	1,425
Attrition	411	385	438
Graduates	984	1,069	987

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(in Thousands of Dollars)

	FY 1987			FY 1988			FY 1989		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
1. Basic Pay	3,290,161	6,432,185	9,722,346	3,324,010	6,465,635	9,789,645	3,423,168	6,530,778	9,953,946
2. Retired Pay Accrual	1,715,964	3,357,287	5,073,251	1,701,249	3,307,527	5,008,776	1,717,512	3,278,449	4,995,961
3. Basic Allowances for Quarters	444,894	862,548	1,307,442	448,884	862,216	1,311,100	460,337	858,434	1,318,771
a. With dependents	338,957	695,411	1,034,368	343,278	692,868	1,036,146	352,394	688,718	1,041,112
b. Without dependents	105,378	153,272	258,650	105,059	155,123	260,182	107,391	155,617	263,008
c. Partial	390	11,525	11,915	359	11,858	12,217	356	11,676	12,032
d. Inadequate	169	2,340	2,509	188	2,367	2,555	196	2,423	2,619
4. Variable Housing Allowance	109,554	180,181	289,735	108,969	179,886	288,855	112,366	180,071	292,437
5. Subsistence	146,186	918,641	1,064,827	146,754	919,467	1,066,221	150,540	926,556	1,077,096
a. Basic Allowance for Subsistence	146,186	793,826	940,012	146,754	792,751	939,505	150,540	797,711	948,251
1. Auth to Mess Separately	146,186	668,271	814,457	146,754	667,391	814,145	150,540	671,580	822,120
2. Leave Rations		77,370	77,370		77,266	77,266		77,752	77,752
3. Rations-in-Kind not Avail		47,830	47,830		47,739	47,739		48,024	48,024
4. Aug for Separate Meals		355	355		355	355		355	355
b. Subsistence-in-Kind		124,815	124,815		126,716	126,716		128,845	128,845
1. Subsistence in Messes		65,022	65,022		62,269	62,269		62,484	62,484
2. Special Rations		3,250	3,250		3,379	3,379		3,496	3,496
3. Operational Rations		5,876	5,876		8,442	8,442		8,265	8,265
4. Augmentation		2,164	2,164		2,182	2,182		2,269	2,269
5. Other Programs		48,503	48,503		50,444	50,444		52,331	52,331
6. Incentive Pay, Hazardous Duty, and Aviation Career	143,061	28,368	171,429	143,891	28,076	171,967	148,221	28,076	176,297
a. Flying Duty Pay	142,356	23,202	165,558	143,134	22,930	166,064	147,464	22,930	170,394
1. Aviation Career, Officer	138,302		138,302	139,586		139,586	143,916		143,916
2. Crew Members, Enlisted		21,536	21,536		21,478	21,478		21,478	21,478
3. Noncrew Member	129	1,666	1,795	165	1,452	1,617	165	1,452	1,617
4. ANAC WPNS Cont	2,424		2,424	1,866		1,860	1,860		1,860
5. Crew Members, Nonrated	1,501		1,501	1,523		1,523	1,523		1,523
b. Parachute Jumping Pay	137	1,346	1,483	172	1,301	1,473	172	1,301	1,473
c. Demolition Pay	102	1,876	1,978	106	1,882	1,988	106	1,882	1,988
d. Other Pays	389	719	1,108	387	738	1,125	387	738	1,125
e. Toxic Fuels/Live Biological	77	1,225	1,302	92	1,225	1,317	92	1,225	1,317

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY (Con't)
(in Thousands of Dollars)

	FY 1987			FY 1988			FY 1989		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
7. Special Pays	79,653	110,311	189,964	82,355	96,999	179,354	87,594	96,330	183,924
a. Physicians	64,039		64,039	65,295		65,295	71,221		71,221
b. Dentists+Continuing	13,623		13,623	13,766		13,766	13,496		13,496
c. Optometrists	227		227	227		227	227		227
d. Veterinarians	29		29	26		26	23		23
e. Sea & Foreign Duty, Total		8,290	8,290		8,320	8,320		8,309	8,309
1. Sea Duty		13	13		13	13		13	13
2. Duty at Certain Places		8,277	8,277		8,307	8,307		8,296	8,296
f. Diving Duty Pay+Hostile Fire	878	751	1,629	886	932	1,818	886	932	1,818
g. Reenlistment Bonus		88,998	88,998		73,555	73,555		72,697	72,697
1. Regular									
2. Selective		88,998	88,998		73,555	73,555		73,555	73,555
h. Special Duty Assignment Pay		10,818	10,818		11,068	11,068		11,068	11,068
i. Enlistment Bonus		476	476		900	900		1,100	1,100
j. Overseas Extension Pay		652	652		768	768		768	768
k. Scientific/Engineering Bonus	857		857	414		414	0		0
1. Form Lang Pro Pay		326	326	1,741	1,456	3,197	1,741	1,456	3,197
8. Allowances	80,703	377,275	457,978	66,697	316,156	382,853	73,679	349,285	422,964
a. Uniform or Clothing Allow	2,049	71,090	73,139	2,043	75,948	77,991	2,556	82,291	84,847
1. Initial Issue	1,366	27,532	28,898	1,362	23,008	24,370	1,704	29,514	31,218
a. Military	1,366	26,385	27,751	1,362	21,899	23,261	1,704	28,405	30,109
b. Civilian		1,147	1,147		1,109	1,109		1,109	1,109
2. Additional	683		683	681		681	852		852
3. Basic Maintenance		9,917	9,917		11,681	11,681		11,637	11,637
4. Standard Maintenance		32,719	32,719		40,337	40,337		40,218	40,218
5. Supplemental		922	922		922	922		922	922
b. Station Allow Overseas	75,993	291,527	367,520	62,002	228,200	290,202	68,409	254,678	323,087
1. Cost-of-Living	36,398	142,946	179,344	30,090	129,360	159,450	33,966	143,032	176,998
2. Housing	30,341	115,920	146,261	25,893	77,425	103,318	27,399	83,022	110,421
3. Temporary Lodging	9,254	32,661	41,915	6,019	21,415	27,434	7,044	28,624	35,668
c. Family Separation Allowance	2,611	14,658	17,269	2,603	12,008	14,611	2,664	12,316	14,980
1. On PCS, No Gov't Qtrs	813	4,493	5,306	760	4,983	5,743	760	5,263	6,023
2. On PCS, Dep not Authorized	1,032	6,923	7,955	1,136	3,986	5,122	1,185	4,002	5,187
3. On TDY	766	3,242	4,008	707	3,039	3,746	719	3,051	3,770
d. General & Flag Off, Personal	50		50	49		49	50		50

SUMMARY OF ENTITLEMENTS OF SUBACTIVITY (con't)
(in Thousands of Dollars)

	FY 1987			FY 1988			FY 1989		
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
9. Separation Payments	42,746	54,873	97,619	45,382	69,195	114,577	44,704	56,426	101,130
a. Terminal Leave Payments	29,551	49,034	78,585	33,010	63,060	96,070	33,818	50,291	84,109
b. Severance Pay, Disability	733	5,839	6,572	372	6,135	6,507	386	6,135	6,521
c. Severance Pay, Non-promotion/ Unfitness	12,462		12,462	12,000		12,000	10,500		10,500
10. Social Security Tax Payments	229,578	457,796	687,374	285,065	563,548	848,613	296,347	568,949	865,296
11. PCS Travel	213,809	535,146	748,955	228,137	543,282	771,419	253,317	568,913	822,230
12. Other Mil Personnel Costs	244	35,289	35,533	245	38,155	38,400	247	35,055	35,302
a. Apprehension of Deserters		98	98		98	98		98	98
b. Interest on Uniformed Svcs Savings Deposits (MIA)	16		16	20		20	22		22
c. Death Gratuities	228	1,344	1,572	225	1,194	1,419	225	1,188	1,413
d. Unemployment Compensation		22,347	22,347		26,763	26,763		24,469	24,469
e. Survivor Benefits		11,500	11,500		10,100	10,100		9,300	9,300
13. Cadets	33,692		33,692	33,823		33,823	34,942		34,942
Total, All Military Personnel	6,530,245	13,349,900	19,880,145	6,615,461	13,390,142	20,005,603	6,802,974	13,477,322	20,280,296
Appropriations Request									
14. Less: Reimbursables	80,652	106,135	186,787	81,438	108,205	189,643	79,472	106,624	186,096
(Retired Pay Accrual)	(21,728)	(15,739)	(37,467)	(21,940)	(15,753)	(37,693)	(21,410)	(14,766)	(36,176)
(Other)	(58,924)	(90,396)	(149,320)	(59,498)	(92,452)	(151,950)	(58,062)	(91,858)	(149,920)
Total, Direct Military Personnel	6,449,593	13,243,765	19,693,358	6,534,023	13,281,937	19,815,960	6,723,502	13,370,698	20,094,200

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE

FY 1988
\$ in Thousands

PAY AND ALLOWANCES OF OFFICERS	FY 88/89 PRESIDENT'S BUDGET	CONGRESS ACTION	PAY RAISE		APPROP	INTERNAL REALIGN/ REPROG		PAY RAISE ABSORPTION	PRICE CHANGE	OTHER CHANGE	FY 1988 COLUMN FY 1989 AMENDED REQUEST
			APPROP	APPROP							
Basic Pay	3,341,138	-59,791	41,404		3,322,751	- 6,440	7,719				3,324,010
Retired Pay Accrual	1,710,663	-30,613	21,190		1,701,240	- 3,943	3,952				1,701,249
Incentive Pay	143,762				143,762	129					143,891
Special Pay	83,676				83,676	- 1,272					82,404
Basic Allowance for Quarters	450,633	- 6,639	6,634		450,628	- 1,890	146				448,884
Basic Allowance for Subsistence	148,652	- 2,296	2,169		148,525	- 1,771					146,754
Station Allowances Overseas	56,002				56,002				6,000		62,002
Uniform Allowances	2,238				2,238	- 195					2,043
Family Separation Allowances	2,539		17		2,556	47					2,603
Separation Payments	41,316	7,488	488		49,292	- 3,910					45,382
Variable Housing Allowance	114,445	-6,776			107,669	1,300					108,969
Social Security Tax-Employer's											
Contribution	283,935	-3,528	3,632		284,039	471	555				285,065
Reimbursables	(73,120)				(73,120)	(8,318)					(81,438)
Total Obligations	6,378,999	-102,155	75,534		6,352,378	-17,494	12,372		0	6,000	6,353,256
Less: Reimbursements	73,120				73,120	8,318					81,438
Total Direct Obligations	6,305,879	-102,155	75,534		6,279,258	-25,812	12,372		0	6,000	6,271,818

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 1988
\$ in Thousands

PAY AND ALLOWANCES OF ENLISTED	FY 88/89 PRESIDENT'S BUDGET	CONGRESS ACTION	PAY RAISE APPROP	APPROP	INTERNAL REALIGN/ REPROC	PAY RAISE ABSORPTION	PRICE CHANGE	OTHER CHANGE	FY 1988 COLUMN FY 1989 AMENDED REQUEST
Basic Pay	6,430,708	- 74,243	81,943	6,438,408	14,194	13,033			6,465,635
Retired Pay Accrual	3,292,529	- 35,263	41,955	3,299,221	1,633	6,673			3,307,527
Incentive Pay	29,655			29,655	- 1,579				28,076
Special Pay	10,904			10,904	572				11,476
Special Duty Assignment Pay	10,705			10,705	363				11,068
Reenlistment Bonus	114,042	- 30,049	516	84,509	-11,036	82			73,555
Enlistment Bonus	1,400	- 300		1,100	- 200				900
Basic Allowance for Quarters	855,956	- 9,193	10,993	857,756	2,711	1,749			862,216
Station Allowances Overseas	199,467		1,811	201,278	0	288	26,634		228,200
Clothing Allowances	86,134			86,134	-10,186				75,948
Family Separation Allowances	12,008			12,008	0				12,008
Separation Payments	50,375		1,078	51,453	17,571	171			69,195
Variable Housing Allowance	193,125	- 13,427		179,698	188				179,886
Social Security Tax-Employer's Contribution	551,197	- 6,008	6,154	551,343	11,226	979			563,548
Reimbursables	(46,562)			(46,562)	(9,682)				(56,244)
Total Obligations	11,838,205	-168,483	144,450	11,814,172	25,457	22,975	26,634		11,889,238
Less: Reimbursements	46,562			46,562	9,682				56,244
Total Direct Obligations	11,791,643	-168,483	144,450	11,767,610	15,775	22,975	26,634		11,832,994

PAY AND ALLOWANCES OF CADETS

Academy Cadets	33,749	-	408	34,157	-334	-	-	-	33,823
Total Direct Obligations	33,749	-	408	34,157	-334	-	-	-	33,823

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 1988
(\$ in Thousands)

SUBSISTENCE OF ENLISTED PERSONNEL	FY 88/89 PRESIDENT'S BUDGET	CONGRESS ACTION	PAY RAISE APPROP	APPROP	INTERNAL REALIGN/ REPROG	PAY RAISE ABSORPTION	PRICE CHANGE	OTHER CHANGE	FY 1988 COLUMN FY 1989 AMENDED REQUEST
Basic Allowance for Subsistence	783,611	-	11,943	795,554	-2,803	-	-	-	792,751
Subsistence in Kind	85,255	-2,200	-	83,055	-6,124	-	-647	-	76,284
Reimbursables	50,432	-	-	50,432	-	-	-	-	50,432
Total Obligations	919,298	-2,200	11,943	929,041	-8,927	-	-647	-	919,467
Less Reimbursements	50,432	-	-	50,432	-	-	-	-	50,432
Total Direct Obligations	868,866	-2,200	11,943	878,609	-8,927	-	-647	-	869,035

PERMANENT CHANGE OF STATION TRAVEL

Accession Travel	53,736	-2,154	2	51,584	-8,678	-	113	-	43,019
Training Travel	40,382	-1,618	53	38,817	-900	-	-157	-	37,760
Operational Travel	130,276	-5,221	98	125,153	-33,779	-	-419	-	90,955
Rotational Travel	471,495	-20,395	352	451,452	-8,130	-	5,254	-	448,576
Separation Travel	121,858	-4,884	2	116,976	-10,190	-	403	-	107,189
Travel of Organized Units	1,801	-72	-	1,729	39	-	-7	-	1,761
Nontemporary Storage	24,750	-	-	24,750	-25	-	24	-	24,749
Temporary Lodging Expense	23,900	-17,900	-	6,000	0	-	0	11,410	17,410
Reimbursables	(1,529)	-	-	(1,529)	-	-	-	-	(1,529)
Total Obligations	868,198	-52,244	507	816,461	-61,663	-	5,211	11,410	771,419
Less Reimbursements	1,529	-	-	1,529	-	-	-	-	1,529
Total Direct Obligations	866,669	-52,244	507	814,932	-61,663	-	5,211	11,410	769,890

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE

FY 1988

\$ in Thousands

OTHER MILITARY PERSONNEL COSTS	FY 88/89 PRESIDENT'S BUDGET	CONGRESS ACTION	PAY RAISE APPROP	APPROP	INTERNAL REALIGN/ REPROG	PAY RAISE ABSORPTION	PRICE CHANGE	OTHER CHANGE	FY 1988 COLUMN FY 1989 AMENDED REQUEST
Apprehension of Military Deserters, Absentees and Escaped Military									
Prisoners	98	-	-	98	-	-	-	-	98
Death Gratuities	1,407	-	-	1,407	12	-	-	-	1,419
Interest on Uniform Svcs Savings	20	-	-	20	-	-	-	-	20
Unemployment Benefits	26,769	-	-	26,769	- 6	-	-	-	26,763
Survivor Benefits	13,100	-	-	13,100	-	-	-	-3,000	10,100
Total Obligations	41,394	-	-	41,394	6	-	-	-	38,400
Less: Reimbursements	-	-	-	-	-	-	-	-	-
Total Direct Obligations	41,394	-	-	41,394	6	-	-	-3,000	38,400
Total Obligations	20,079,843	-325,082	232,842	19,987,603	-62,955	35,347	4,564	41,044	20,005,603
Less: Reimbursement	171,643			171,643	18,000				189,643
Direct Obligations	19,908,200	-325,082	232,842	19,815,960	-80,955	35,347	4,564	41,044	19,815,960
Amounts Applied to Finance									
Increased Costs	-								
Supplemental Request(s)/Transfers	-								

Note: Other Change includes (1) Overseas Cost of Living Allowance Spendable Income Table revision +\$32.6M, (2) Survivor Benefits Change per Veterans Administration \$3.0M, and (3) Temporary Lodging Expense (TLE) payments for members E-5s and above +\$11.4M.

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE

FY 1989
\$ in Thousands

PAY AND ALLOWANCES OF OFFICERS	FY 88/89 PRESIDENT'S BUDGET	INTERVAL REALIGNMENT/ REPROGRAMING	ANNUALIZATION OF 1 JAN 1988 PAY RAISE	1 JAN 1989 PAY RAISE	PRICE CHANGE	OTHER CHANGES	FY 1989 AMENDED REQUEST
Basic Pay	3,350,664	- 99,823	65,218	107,109			3,423,168
Retired Pay Accrual	1,678,683	- 47,651	32,740	53,740			1,717,512
Incentive Pay	145,117	3,104					148,221
Special Pay	87,774	- 5,555				5,425	87,644
Basic Allowance for Quarters	447,186	- 9,981	8,739	14,393			460,337
Basic Allowance for Subsistence	148,763	- 5,802	2,869	4,710			150,540
Station Allowances Overseas	60,409				8,000		68,409
Uniform Allowances	2,533	23					2,556
Family Separation Allowances	2,555	49	23	37			2,664
Separation Payments	42,683	311	638	1,072			44,704
Variable Housing Allowance	120,658	- 8,292					112,366
Social Security Tax-Employer's Contribution	304,490	- 19,474	5,840	5,491			296,347
Reimbursables	(71,154)	(8,318)					(79,472)
Total Obligations	6,391,515	-193,091	116,067	186,552		13,425	6,514,468
Less: Reimbursements	71,154	8,318					79,472
Total Direct Obligations	6,320,361	-201,409	116,067	186,552		13,425	6,434,996

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 1989
\$ in Thousands

PAY AND ALLOWANCES OF ENLISTED	FY 88/89 PRESIDENT'S BUDGET	INTERNAL REALIGNMENT REPROGRAMMING	ANNUALIZATION OF 1 JAN 1988 PAY RAISE	1 JAN 1989 PAY RAISE	PRICE CHANGE	OTHER CHANGES	FY 1989 AMENDED REQUEST
Basic Pay	6,417,160	-221,393	126,482	208,519			6,530,778
Retired Pay Accrual	3,215,001	-103,562	62,434	104,576			3,278,449
Incentive Pay	29,655	- 1,579					28,076
Special Pay	10,821	644					11,465
Special Duty Assignment Pay	10,705	363					11,068
Reenlistment Bonus	103,728	- 33,571	700	1,840			72,697
Enlistment Bonus	1,400	- 300					1,100
Basic Allowance for Quarters	849,376	- 34,499	16,234	27,323			858,434
Station Allowances Overseas	220,279	0	2,099	2,961		29,339	254,678
Clothing Allowances	90,666	- 10,622			2,247		82,291
Family Separation Allowances	12,053	0	100	163			12,316
Separation Payments	48,584	5,083	1,044	1,715			56,426
Variable Housing Allowance	207,806	- 27,735					180,071
Social Security Tax-Employer's Contribution	556,891	- 10,470	8,884	13,644			568,949
Reimbursables	(43,039)	(9,682)					(52,721)
Total Obligations	11,774,125	-437,641	217,977	360,751	2,247	29,339	11,946,798
Less: Reimbursements	43,039	9,682					52,721
Total Direct Obligations	11,731,086	-447,323	217,977	360,751	2,247	29,339	11,894,077
PAY AND ALLOWANCES OF CADETS							
Academy Cadets	33,867	- 369	546	898	-	-	34,942
Total Direct Obligations	33,867	- 369	546	898	-	-	34,942

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE

FY 1989
\$ in Thousands

SUBSISTENCE OF ENLISTED PERSONNEL	FY 88/89 PRESIDENT'S BUDGET	INTERNAL REALIGNMENT REPROGRAMMING	ANNUALIZATION OF 1 JAN 1988 PAY RAISE	1 JAN 1989 PAY RAISE	PRICE CHANGE	OTHER CHANGES	FY 1989 AMENDED REQUEST
Basic Allowance for Subsistence	776,355	-16,778	13,613	24,521			797,711
Subsistence in Kind	85,833	- 6,427	-	-	-2,877	-	76,529
Reimbursables	52,316		-	-	-	-	52,316
Total Obligations	914,504	-23,205	13,613	24,521	-2,877	-	926,556
Less Reimbursements	52,316		-	-	-	-	52,316
Total Direct Obligations	862,188	-23,205	13,613	24,521	-2,877	-	874,240
<u>PERMANENT CHANGE OF STATION TRAVEL</u>							
Accession Travel	60,121	- 4,876	6	7	338	-	55,596
Training Travel	41,849	- 3,215	72	118	76	-	38,900
Operational Travel	131,104	-32,808	143	232	211	-	98,882
Rotational Travel	482,912	- 1,551	495	818	13,565	-	496,239
Separation Travel	118,576	-32,060	0	0	885	-	87,401
Travel of Organized Units	1,850	- 42	2	3	4	-	1,817
Nontemporary Storage	25,971	- 896	-	-	37	-	25,112
Temporary Lodging Expense	23,900	- 5,617	-	-	-	-	18,283
Reimbursables	(1,587)	-	-	-	-	-	(1,587)
Total Obligations	886,283	-81,065	718	1,178	15,116	-	822,230
Less Reimbursements	1,587	-	-	-	-	-	1,587
Total Direct Obligations	884,696	-81,065	718	1,178	15,116	-	820,643

ANALYSIS OF APPROPRIATION CHANGES AND SUPPLEMENTAL REQUIREMENTS
MILITARY PERSONNEL, AIR FORCE
FY 1989
\$ in Thousands

OTHER MILITARY PERSONNEL COSTS	FY 88/89 PRESIDENT'S BUDGET	INTERNAL REALIGNMENT REPROGRAMING	ANNUALIZATION OF 1 JAN 1988 PAY RAISE	1 JAN 1989 PAY RAISE	PRICE CHANGE	OTHER CHANGES	FY 1989 AMENDED REQUEST
Apprehension of Military Deserters, Absentees and Escaped Military							
Prisoners	98	-	-	-	-	-	98
Death Gratuities	1,413	-	-	-	-	-	1,413
Interest on Uniform Svcs Savings	22	-	-	-	-	-	22
Unemployment Benefits	24,469	-	-	-	-	-	24,469
Survivor Benefits	13,100	-	-	-	-	-3,800	9,300
Total Obligations	39,102	-	-	-	-	-3,800	35,302
Less: Reimbursements	-	-	-	-	-	-	-
Total Direct Obligations	39,102	-	-	-	-	-3,800	35,302
Total Obligations	20,039,396	-735,371	348,921	573,900	14,486	38,964	20,280,296
Less: Reimbursement	168,096	-18,000	-	-	-	-	186,096
Direct Obligations	19,871,300	-753,371	348,921	573,900	14,486	38,964	20,094,200
Amounts Applied to Finance							
Increased Costs							
Supplemental Request(s)/Transfers							

Note: Other Changes includes the cost of the change to the spendable income table of +\$37.4M the change to medical special incentive pay of +\$5.4 million, and Survivor Benefits Change per Veterans Administration -\$3.8M.

Military Personnel, Air Force
Schedule of Increases and Decreases
(In Thousands of Dollars)

Total Military Personnel, Air Force Appropriation		
FY 1988 Military Personnel, Air Force (Direct Program)		\$19,815,960
<u>Increases:</u>		
<u>Basic Pay</u>		+\$165,326
Increase results primarily from the annualization of 1 Jan 88 2% pay raise and FY 89 1 Jan 89 4.3% pay raise offset by manyear decreases		
<u>Social Security Tax</u>		+\$ 16,780
The increase results from increasing the FICA rate from 7.15% to 7.51% and the change in the maximum wages taxes plus military pay raises offset by manyear decreases		
<u>Overseas Station Allowances</u>		+\$ 32,885
Increase primarily due to Cost of Living Allowance (COLA) and Overseas Housing Allowance (OHA) rate adjustments, Temporary Lodging Allowance for inflation (3.8%), military pay raises and manyear adjustments offset by conversion of Alaska and Hawaii from OHA to VHA		\$ 3,582
<u>Variable Housing Allowance</u>		
Increase results from housing cost growth of 3.4% and the continued conversion of members in Alaska and Hawaii from OHA to VHA		+\$ 50,811
<u>Permanent Change of Station (PCS) Travel</u>		
Increase results from Industrial Fund/Inflation rate changes, move/program changes and military pay raises		+\$ 7,671
<u>Basic Allowance for Quarters (BAQ)</u>		
Increase results from pay raises offset by reduced officer and enlisted manyears receiving BAQ		+\$ 6,856
<u>Clothing/Uniform Allowances</u>		
Increase due to projected OSD rate increase and an increase in the projected number of accessions		+\$ 5,240
<u>Proficiency Pay/Special Duty Assignment Pay</u>		
Increase results primarily from lifting of 6% budget limitation in physicians incentive special pay		

<u>Basic Allowance for Subsistence (BAS)</u>	+ \$ 8,746
Increase driven by military pay raise offset by enlisted manyear reduction	
<u>Subsistence-In-Kind (SIK)</u>	+ \$ 245
Increase primarily due to increased rates, operational ration requirements for B rations, shelf-life expiration changes and increased overseas manyears offset by a decrease in number subsisting in CONUS Dining Halls and a reduction in the number of operational rations projected use in FY 89.	
<u>Family Separation Allowance</u>	+ \$ 369
Increase due to pay raise	
<u>Incentive Pay</u>	+ \$ 4,330
Increase driven by under graduate pilot training (UPT) and Aviation Career Incentive Pay (ACIP)	
<u>Miscellaneous</u>	+ \$ 5,491
These are adjustments to reimbursements and accumulated interest on Uniformed Services Savings Deposit Program (USSDP)	
<u>Total Increases</u>	+ \$ 308,332
<u>Decreases:</u>	
<u>Retired Pay Accrual</u>	- \$12,815
Decrease due to change in rate from 51.2% to 50.2% and reduced manyears offset by military pay raises	
<u>Enlistment/Selective Reenlistment Bonus</u>	- \$ 658
Decrease due to decrease of anniversary payments and a reduction in SRB multiples	
<u>Separation Payments</u>	- \$13,447
Decrease driven by a decrease in the number of members eligible to receive a separation payment	

Unemployment Compensation-----\$ 2,294

Decrease based on latest projections from Department of Labor

Miscellaneous-----\$ 878

Decrease in Enlisted Special Pay, reimbursement adjustment in PCS and slight decrease in Cadet
Operational Rations, Survivor Benefits and Death Gratuities

Total Decreases-----\$ 30,092

FY 1989 Direct Program-----\$20,094,200

Section 4

Schedule of Increases and Decreases
(In Thousands of Dollars)

1. Pay and Allowances of Officers		Amount
FY 1988 Direct Program		\$6,271,818
Increases:		
Basic Pay		99,158
Retire Pay Accrual		16,263
Basic Allowance for Quarters		11,453
Overseas Station Allowances		6,407
Special Pays		5,240
<ul style="list-style-type: none"> - The 4.3% pay raise effective 1 January 1989 - Annualization of 2% pay raise effective 1 January 1988 - Longevity and grade structure increase - Decrease of 1190 average strengths - The 4.3% pay raise effective 1 January 1989 - Annualization of 2% pay raise effective 1 January 1988 - Decrease of 1190 average strengths - Reduction in the accrual percentage from 51.2% in FY 1988 to 50.2% in FY 1989 - Longevity and grade structure increase - The 4.3% pay, raise effective 1 January 1989 - Annualization of 2% pay raise effective 1 January 1988 - Decrease in Workyears in all BAQ categories as a result of the decrease in basic pay average strengths - Programmed 4.3% pay raise effective 1 January 1989, COLA +\$1,064 and HA -\$885 - TLA rate increase due to 3.8% inflation factor - Increase in workyears, COLA +\$2,812, HA +\$2,391 and TLA +\$766 - Increase in physicians incentive special pay, as a result of public law 100-180, that released the 6% budget limitation and lifted the \$8,000 individual payment cap for critically needed war time specialties. - More physicians are expected to be willing to sign the required active duty service commitment which will entitle a larger number of physicians to receive the additional special pay - Reduction in dental pay requirements (-271) and complete phase out of Scientific Engineering Bonus (-414) 		<ul style="list-style-type: none"> 107,109 16,266 12,766 - 36,983 53,740 8,166 -18,565 -33,487 6,409 14,393 2,182 -5,122 179 260 5,968 5,425 500 -685

Social Security (FICA)	11,282
- The 4.3% pay raise effective 1 January 1989	8,043
- Annualization of 2% pay raise effective 1 January 1988	1,211
- Decrease of 1190 workyears and increase in grade structure and longevity	-2,916
- Increase of FICA rate in FY 1989 and the change in maximum wages taxed	4,944
Incentive Pay	4,330
- Increase in the under graduate pilot training (UPT) requirements programmed to offset and help solve the projected pilot shortfall	3,000
- Aviation Career Incentive Pay increase (ACIP) results from flying duty increase	1,330
Basic Allowance for Subsistence (BAS)	3,786
- The 4.3% pay raise effective 1 January 1989	4,710
- Annualization of 2% pay raise effective 1 January 1988	709
- Decrease of 1190 basic pay workyears	-1,633
Variable Housing Allowances	3,397
- FY 1989 VHA rate increase due to housing cost growth	3,696
- Decrease in basic pay workyears	- 754
- Increase due to grade distribution	455
Reimbursables	1,966
Miscellaneous	574
- Uniform Allowances	513
- Family Separation Allowances	61
TOTAL Increases	163,856
Decreases:	
Separation Pay	678
- Decrease in the number of failures of promotions	-1,500
- Decrease in lump sum terminal leave payments	- 330
- Rates increase due to 4.3% programmed pay raise effective 1 January 1989	1,072
- Annualization of 2% pay raise effective 1 January 1988	80
Total Decreases	678
FY 1989 Direct Program	\$6,434,996

(In Thousands of Dollars)

PROJECT: Basic Pay Officers

FY 1989 Amended Estimate	\$3,423,168
FY 1989 Change	+\$72,504
FY 1989 Initial Estimate	3,350,664
FY 1988 Estimate	3,324,010
FY 1987 Actual	3,290,161

PART I - PURPOSE AND SCOPE

Funds provide basic compensation for officers on active duty according to rank and length of service under provisions of 37 U.S.C. 201, 203 and 205.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 1988 program of 106,957 workyears is based on a beginning strength of 107,338 and an end strength of 105,538. The FY 1989 program of 105,767 workyears is based upon beginning and ending strengths of 105,538. Costs are determined on the basis of grade distribution and projected longevity. The average rates used are derived from the latest longevity experience adjusted by planned gains and losses for each respective year.

The estimated increase in FY 1988 over FY 1987 totals \$33,849. This is attributed to the 2% pay raise effective 1 January 1988 and the annualization of the 3% pay raise effective 1 January 1987.

The estimated increase in FY 1989 over FY 1988 totals \$99,158. This is attributed to the annualization of the 2% pay raise effective 1 January 1988 and the 4.3% pay raise effective, January 1989.

The program reflects a decrease in workyears, in FY 1988 the decrease is 1,978 workyears and in FY 1989 workyears decrease by 1,190. These result from the officer reduction mandated by Congress.

(Amount in Thousands of Dollars)

<u>Basic Pay</u> <u>Grade</u>	<u>FY 1987 Actual</u>		<u>FY 1988 Estimate</u>		<u>FY 1989 Estimate</u>	
	<u>Workyears</u>	<u>Average Rate</u>	<u>Workyears</u>	<u>Amount</u>	<u>Workyears</u>	<u>Amount</u>
General.....	12	\$71,094	12	\$72,500	12	\$72,500
Lt General.....	39	71,094	37	72,500	38	72,500
Maj General....	116	71,094	113	70,413	116	72,500
Brig General...	169	62,275	164	63,675	167	66,055
Colonel.....	5,695	50,851	5,643	52,080	5,567	54,189
Lt Colonel.....	12,656	41,958	12,500	42,777	12,534	44,442
Major.....	20,207	34,951	19,812	35,607	19,724	37,098
Captain.....	41,490	28,633	42,397	29,360	42,065	30,624
1st Lieutenant.	14,932	22,233	14,947	22,577	13,841	23,407
2nd Lieutenant.	13,619	16,222	11,332	16,394	11,703	16,876
Total	108,935	\$3,290,161	106,957	\$3,324,010	105,767	\$3,423,168

(In Thousands of Dollars)

PROJECT: Retired Pay Accrual - Officers

FY 1989 Amended Estimate	\$1,717,512
FY 1989 Change	+ 38,829
FY 1989 Initial Estimate	1,678,683
FY 1988 Estimate	1,701,249
FY 1987 Actual	1,715,964

PART I - PURPOSE AND SCOPE

Funds provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with P.L. 98-94, Section 925(a)(1), Title 10 USC, as amended.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budgetary estimates are derived as a product of:

- (a) An accrual percentage of 52.2% for FY 1987, of 51.2% for FY 1988 and 50.2% for 1989.
- (b) The total amount of basic pay expected to be paid during the fiscal year to officer members of the armed forces.

The computation of fund requirements is shown in the following table:

<u>FY 1987 Actual</u>		<u>FY 1988 Estimate</u>		<u>FY 1989 Estimate</u>	
<u>Workyears</u>	<u>Rate</u>	<u>Workyears</u>	<u>Rate</u>	<u>Workyears</u>	<u>Rate</u>
108,935	\$15,752.18	106,957	\$15,905.92	105,767	\$16,238.64
	\$1,715,964		\$1,701,249		\$1,717,512

(In Thousands of Dollars)

PROJECT: Incentive Pay for Hazardous Duty

FY 1989 Amended Estimate	\$148,221
FY 1989 Change	+ 3,104
FY 1989 Initial Estimate	145,117
FY 1988 Estimate	143,891
FY 1987 Actual	143,061

PART I - PURPOSE AND SCOPE

The purpose of Incentive Pay for Hazardous Duty is to help the Air Force attract and retain officer volunteers in duties requiring more than normal exposure to hazardous duties in peacetime.

Funds provide payment to officers under provisions of 37 U.S.C. 301 as follows:

- (1) Aviation Career Incentive - Paid to regular and reserve officers who hold, or are in training leading to an aeronautical rating or designation, and who engage and remain in aviation service on a career basis. It is paid in fixed monthly amounts ranging from \$125 to \$400.
- (2) Non-crew member - Involves frequent and regular participation in aerial flights. Paid as an incentive for the performances of hazardous duty required by orders. It is paid to non-rated crew members and noncrew members (e.g. gunnery instructors, aerial photo personnel, flight nurse) only when performing such duties in fixed monthly amounts of \$110.
- (3) Air Weapons Controller - It has been difficult in recent years to retain members in Airborne Warning and Control System (AWACS) duties and at the same time AWACS missions have been increasing. As a result the rates for this duty have been increased and range from \$125 to \$350 per month.
- (4) Parachute Jumping - Duties involving parachute jumping from an aircraft in aerial flight and perform the specified minimum jumps. Payable at \$110 per month.
- (5) Experimental Stress - An unusually high level of physiological or other stress; specifically (1) duty inside a high (hyperbaric) or low pressure (altitude) chamber, and (2) duty as a human acceleration/deceleration test subject. It is paid under specified conditions in a monthly amount of \$110.
- (6) Demolition - Explosive demolition as a primary duty including training for such duty. It is paid under specified conditions at a monthly rate of \$110.
- (7) Toxic Fuel Handlers - Duties in which personnel may be exposed to toxic fuels and propellants. This pay was initiated as a result of a number of casualties among personnel who work with hypergolic fuel, specifically, hydrazine and nitrogen tetroxide. It is paid at a monthly rate of \$110.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Incentive duty pay is computed on the basis of the average number of officers in each category of aviation service/commission service who are eligible for payment. Other incentive duty pay is computed at the statutory rate per manyear.

(Amount in Thousands of Dollars)

Flying Duty Crew		FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
YRS SVC GRADE	New Monthly Rate	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
2	\$125.....	4,581	\$1,500	\$ 6,872	4,823	\$1,500	\$ 7,235	4,743	\$1,500	\$ 7,115
2-3	156.....	2,484	1,872	4,650	2,425	1,872	4,540	2,593	1,872	4,854
3-4	188.....	2,647	2,256	5,972	2,671	2,256	6,026	2,740	2,256	6,181
4-6	206.....	5,379	2,472	13,297	5,323	2,472	13,158	5,465	2,472	13,509
6-18	400.....	17,119	4,800	82,171	17,546	4,800	84,221	18,205	4,800	87,384
18-20	370.....	2,880	4,440	12,787	2,746	4,440	12,192	2,746	4,440	12,192
20-22	340.....	1,766	4,080	7,205	1,671	4,080	6,818	1,671	4,080	6,818
22-24	310.....	963	3,720	3,582	957	3,720	3,560	991	3,720	3,687
24-25	280.....	377	3,360	1,267	398	3,360	1,337	499	3,360	1,677
25 & over	250.....	155	3,000	465	155	3,000	465	155	3,000	465
B/G under 25	200.....	14	2,400	34	14	2,400	34	14	2,400	34
M/G under 25	206.....	0	2,472	0	0	2,472	0	0	2,472	0
Subtotal.....		38,365		138,302	38,729		139,586	39,822		143,916
Flying Duty Non-Crew.....		98	1,320	129	125	1,320	165	125	1,320	165
Flying Duty Non Rated.....		695	2,160	1,501	705	2,160	1,523	705	2,160	1,523
AWACS WPNS Contr.....		1,010	2,400	2,424	775	2,400	1,860	775	2,400	1,860
Total, Flying Duty Pay...				\$142,356			\$143,134			\$147,464

(Amount in Thousands of Dollars)

Other Incentive Duty Pay

	FY 1987 Estimate			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Parachute Jumping.....	104	\$1,320	\$ 137	130	\$1,320	\$ 172	130	\$1,320	\$ 172
Press CHMR Observer..	196	1,320	259	190	1,320	251	190	1,320	251
Accel/Decel Subject...	19	1,320	25	25	1,320	33	25	1,320	33
Thermal Stress Subject	3	1,320	4	3	1,320	4	3	1,320	4
Demolition Duty.....	77	1,320	102	80	1,320	106	80	1,320	106
Toxic Fuel Hndlr.....	58	1,320	77	70	1,320	92	70	1,320	92
L/Hazard Bio Org.....	0	1,320	0	0	1,320	0	0	1,320	0
Parachute Halo.....	51	1,980	101	50	1,980	99	50	1,980	99
Subtotal.....	508		705	548		757	548		757
Total Incentive Pay..			\$143,061			\$143,891			\$148,221

(In Thousands of Dollars)

PROJECT: Special Pay of Officers

FY 1989 Amended Estimate	\$87,644
FY 1989 Change	- 130
FY 1989 Initial Estimate	87,774
FY 1988 Estimate	82,404
FY 1987 Actual	79,703

PART 1 - PURPOSE AND SCOPE

Funds provide for:

(1) Special pay for Health Professionals on active duty as physicians, dentists, veterinarians, and optometrists under provisions of 37 U.S.C 302, 302a, 302b and 303.

- a. Medical Variable Special - A monthly pay authorized for all physicians based on years of creditable service. The total annual pay ranges from \$5,000 to \$10,000 except for O-7s and above who receive \$1,000 per year and interns who receive \$1,200 per year.
- b. Medical Board Certified - A monthly payment which varies with length of creditable service paid to physicians who become certified or recertified as having successfully met specified post-graduate education, training and experience requirements. The total annual pay ranges from \$2,000 to \$5,000 depending on years of service.
- c. Medical Additional Special - A lump sum annual payment for physicians not in internship for initial residency training who execute an agreement to remain on active duty for at least one year. Officers with less than 10 years of service receive \$9,000 while those with more than 10 years of service receive \$10,000.
- d. Medical Incentive Special - Paid to qualified physicians in critical specialties who execute an agreement to remain on active duty for at least one year.
- e. Dental Variable Special - A monthly pay authorized for all dentists based on years of creditable service. A total annual pay ranges from \$1,200 to \$6,000 except for O-7's and above who receive \$1,000 per year.
- f. Dental Board Certified - A monthly payment which varies with length of creditable service paid to dentists who become certified or the equivalency as having successfully met specified post-graduate education, training, and experience requirements. The total annual pay ranges from \$2,000 - \$4,000 depending upon years of service.
- g. Dental Additional Special - A lump sum annual payment for dentists not in internship or residency training who execute an agreement to remain on active duty for a least one year. Payments are \$6,000, \$8,000 or \$10,000

- h. Dental Save Pay - 37 U.S.C. 302b, as amended a "Save Pay" provision which entitled dentists to an annual amount of special pay not less than the amount they were entitled to as of September 30, 1985 under the previous dental continuation pay and special pay.
- i. Optometrists and Veterinarians - Receive a special pay amounted to \$100 per month.
- (2) Personal money allowances for certain general officers under provisions of 37 U.S.C. 414(a). The allowance is payable while an officer is serving in the grade of O-9 or above at annual rates of \$500 and \$2,200 for O-9s and O-10, respectively. Entitlement may also be based upon specific duty assignments as follows: (1) Chairman of the Joint Chiefs of Staff and Chief of Staff of the Air Force payable at \$4,000 per year in place of any other personal money allowance authorized and (2) Senior member of the Military Staff Committee of the United Nations payable at \$2,200 per year in addition to the other personal money allowance authorized.
- (3) Continuation bonus for career engineer and scientific officers under provisions of U.S.C. 315 signed October 12, 1981. This pay is to induce officers in critically short engineering and scientific skills to remain on active duty following completion of their initial service obligation. Paid to qualified officers below the grade of O-6, with less than 12 years of service, who execute an agreement to remain on active duty in the required skill for at least one but not more than four years. The payment of this bonus is being phased out. No more payments are programmed after FY 1988.
- (4) Pararescue Diving Duty. The purpose of the special pay is to alleviate a critical manning shortage. This duty involves underwater rescue missions, recovery of space vehicles, detection and treatment of decompression sickness, and infiltration/exfiltration for land rescue in a combat environment. It is paid at the rate of \$150 per month.
- (5) Hostile Fire Duty. A monthly pay at the rate of \$110 per month.
- (6) Foreign Language Proficiency Pay (Linguist). 37 U.S.C. 316 authorizes this special pay to all officers who are proficient in a second language and DOD has a critical need for that language. The pay shall not exceed \$100 a month.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Variable special pay is based on cost factors derived from statutory rates and the average number of physicians and dentists programmed per years of creditable service. Board certified pay and special incentive pay are based on the estimated number of physicians and dentists who qualify to receive these special pays multiplied by the statutory rates. Physicians Incentive Special Pay (ISP) reflects the release of the 6% budget limitation and the lifting of the \$8,000 individual payment cap for critically needed war time specialties is as result of P.L. 100-180. Additional special pay is estimated from the expected number of physicians who will agree to remain on active duty for at least one additional year, times the applicable rate based on longevity. Special pay for dentists is based on longevity of programmed dentists times the applicable rates. Special pay for veterinarians and optometrists is computed by multiplying the statutory rates by the number of people programmed in each specialty.

Further details on these increases and decreases may be found on the Schedule of Increases and Decreases for the officer program.

Details of the computation are shown in the following tables.

(Amount in Thousands of Dollars)

Special Pay: Physicians

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	No. Pymts	Average Rate	Amount	No. Pymts	Average Rate	Amount
<u>Physicians Pay</u>						
Variable Special.....	3,936	\$6,657	\$26,202	3,992	\$6,770	\$27,026
Board Certified Pay..	1,887	2,587	4,882	1,940	2,406	4,668
Additional Special Pay.....	3,184	9,310	29,643	3,161	9,391	29,685
Medical Special Pay.....	826	4,010	3,312	800	4,895	3,916
Total Physician Pay..			\$64,039			\$65,295
						\$71,221

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	No. Pymts	Average Rate	No. Pymts	Average Rate	No. Pymts	Average Rate
<u>Other Special Pay</u>						
<u>Dentist Pay</u>						
Additional Special Pay	1,173	\$6,805	1,118	\$6,984	1,080	\$7,052
Save Pay.....	1,000	29	1,000	537	1,000	529
Variable Pay.....	1,587	3,210	1,530	3,207	1,507	3,208
Board Certified Pay...	160	3,239	159	3,235	160	3,230
Total.....	3,920		3,807		3,747	
		\$13,623		\$13,766		\$13,496
<u>Optometrists.....</u>	189	1,200	189	1,200	189	1,200
<u>Veterinarians.....</u>	24	1,200	22	1,200	19	1,200
Total Medical Pay.....		\$77,918		\$79,314		\$84,967
<u>Personal Allowance -</u>						
<u>General Officers</u>						
Chief of Staff.....	1	4,000	1	4,000	1	4,000
Senior Member of						
Staff Committee of						
United Nations.....	1	2,700	1	2,700	1	2,700
General.....	11	2,200	11	2,200	11	2,200
Lt General.....	38	500	36	500	37	500
Subtotal.....	51		49		50	
		\$ 50		\$ 49		\$ 50
Scientific/Engineering	428	2,003	207	2,000		0
Hazardous Duty.....	497	1,767	503	1,762	503	1,762
Linquist			1,467	1,200	1,467	1,200
Total		\$79,703		\$82,404		\$87,644

(In Thousands of Dollars)

PROJECT: Basic Allowance for Quarters - Officers

FY 1989 Amended Estimate	\$460,337
FY 1989 Change	+ 13,151
FY 1989 Initial Estimate	447,186
FY 1988 Estimate	448,884
FY 1987 Actual	444,894

PART I - PURPOSE AND SCOPE

Funds provide payment of basic allowance for quarters authorized under provisions of 37 U.S.C. 403, to officers with or without dependents; and to officers occupying inadequate quarters under provisions of 10 U.S.C. 2830

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic allowance for quarters is determined by multiplying the number of eligible personnel by the statutory rates to which each grade is entitled. The total requirement considers the projected number of sponsor workyears and the projected number of these workyears that will reside in government housing. For inadequate housing, the rate is payable with the dependent rate less the current experienced average charge of the fair rental value of the housing unit. This charge is limited to 75% of the BAQ rate.

BAQ manyears in all years reflect a decrease in the BAQ with dependents, without dependents and partial categories. The program reflects the decrease in the end strength growth for all years. Dollar increases in FY 1988 are driven by the 2% pay raise effective 1 January 1988 and the annualization of the 3% pay raise effective 1 January 1987. In FY 1989 the annualization of the 2% pay raise in FY 1988 and the 4.3% pay raise effective 1 January 1989 causes the dollar requirements to increase.

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
With Dependents

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
General.....	73	\$8,352.24	\$ 610	71	\$8,539.44	\$ 606	72	\$8,858.64	\$ 638
Colonel.....	3,574	7,575.48	27,075	3,541	7,746.48	27,430	3,506	8,036.04	28,174
Lt Colonel.....	9,715	6,979.20	67,803	9,595	7,136.28	68,473	9,649	7,403.04	71,432
Major.....	14,257	6,379.20	90,948	13,978	6,522.36	91,170	13,958	6,766.20	94,443
Captain.....	22,197	5,319.00	118,065	22,686	5,437.20	123,349	22,676	5,640.48	127,905
1st Lieutenant.....	4,338	4,668.72	20,253	4,315	4,662.48	20,119	3,904	4,836.84	18,883
2nd Lieutenant.....	3,473	4,089.60	14,203	2,902	4,180.20	12,131	2,518	4,336.44	10,919
Subtotal with Dependents.....	57,627		\$338,957	57,088		\$343,278	56,283		\$352,394

Basic Allowance for Quarters
Without Dependents - Full Allowance

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
General.....	3	\$6,791.40	\$ 20	3	\$6,942.60	\$ 21	3	\$7,202.16	\$ 22
Colonel.....	204	6,231.96	1,271	202	6,372.60	1,287	199	6,610.80	1,316
Lt Colonel.....	704	5,882.28	4,141	695	6,014.52	4,180	697	6,239.40	4,349
Major.....	2,097	5,392.68	11,308	2,057	5,513.88	11,342	2,048	5,719.92	11,714
Captain.....	10,288	4,365.72	44,915	10,511	4,465.20	46,934	10,433	4,632.12	48,327
1st Lieutenant.....	6,461	3,515.40	22,713	6,477	3,595.56	23,288	5,998	3,729.96	22,372
2nd Lieutenant....	6,969	3,014.76	21,010	5,839	3,084.00	18,007	6,030	3,199.20	19,291
Subtotal without Dependents.....	26,726		\$105,378	25,784		\$105,059	25,408		\$107,391

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
Without Dependents - Partial Allowance

Grade	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Statutory Rate	Workyears	Statutory Rate	Workyears	Statutory Rate
Colonel.....	5	\$475.20	5	\$476.28	5	\$476.28
Lt Colonel.....	29	396.00	29	396.00	29	396.00
Major.....	79	320.40	77	320.40	78	320.40
Captain.....	447	266.40	457	266.40	453	266.40
1st Lieutenant.....	395	212.40	387	212.40	358	212.40
2nd Lieutenant.....	938	158.40	741	158.40	764	158.40
Subtotal without Dependents (Partial).	1,893	\$ 390	1,696	\$ 359	1,687	\$ 356

(Amount in Thousands of Dollars)

Inadequate Family Housing

Grade	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Average Rate	Workyears	Average Rate	Workyears	Average Rate
Lt Colonel.....	1	\$4,402.00	\$ 4	1	\$4,468.00	\$ 4
Major.....	2	2,011.00	4	3	2,041.00	6
Captain.....	43	1,875.00	81	51	1,903.00	97
1st Lieutenant.....	22	1,737.00	38	22	1,763.00	39
2nd Lieutenant.....	27	1,543.00	42	27	1,566.00	42
Subtotal Inadequate Family Housing.....	95	\$	169	104	\$	188
Total BAQ			\$444,894		\$448,884	\$460,337

(Amount In Thousands of Dollars)

FY 1989 Amended Estimate	112,366
FY 1989 Change	-8,292
FY 1989 Initial Estimate	120,658
FY 1988 Estimate	108,969
FY 1987 Actual	109,554

PROJECT: Variable Housing Allowance - Officers

PART 1 - PURPOSE AND SCOPE

Funds provide for payment of variable housing allowance (VHA) authorized under provisions of 37 U.S.C. Section 403a. A member entitled to BAQ (under 37 U.S.C., Section 403) is entitled a VHA under this subsection whenever assigned to duty in an area of the U.S. which is a high housing cost area. A member with dependents who is assigned to an unaccompanied tour of duty outside the U.S. is entitled to a VHA while serving such a tour of duty for any period during which the member's dependents reside in an area of the U.S. which would qualify the member to receive a VHA if assigned to duty in that area.

PART 11 - JUSTIFICATION OF FUNDS REQUESTED

Variable housing allowances are developed by multiplying the number of eligible officers by the average rate for each grade. A projection of eligible personnel is developed from the sum of personnel receiving a basic allowance for quarters at the full with-dependent rate and those receiving a basic allowance for quarters, at the full without-dependent rate. In the current FY 1988, many years and rates utilized are based upon actual experience for FY 1987 and for October to December 1987 timeframe. Total requirements reflect the congressional VHA freeze mandated under FY 1988 appropriation act, where rates are held to FY 1987 levels. Rates in FY 1989 reflect the housing cost growth of 3.4%.

Other factors affecting VHA costs are grade structure growth and end strength reductions. Dollar impact associated with these changes are summarized in the schedule of Increases and Decreases.

The computation of requirements is provided in the following table:

(Amount in Thousands of Dollars)

Variable Housing Allowance

Grade	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
General.....	72	\$2,639	\$ 190	71	\$2,648	\$ 188
Colonel.....	3,408	2,110	7,191	3,387	2,110	7,147
Lt Colonel.....	9,146	1,965	17,972	9,035	1,965	17,754
Major.....	14,055	1,771	24,891	13,774	1,771	24,394
Captain.....	26,895	1,528	41,096	27,487	1,528	42,000
1st Lieutenant.....	9,030	1,075	9,707	9,391	1,075	10,095
2nd Lieutenant.....	8,724	975	8,505	7,580	975	7,391
Total.....	71,330		\$109,554	70,725		\$108,969
						70,236
						\$112,366

(Amount in Thousands of Dollars)

PROJECT: Basic Allowance for Subsistence

FY 1989 Amended Estimate	\$150,540
FY 1989 Change	+ 1,747
FY 1989 Initial Estimate	148,793
FY 1988 Estimate	146,754
FY 1987 Actual	146,186

PART I - PURPOSE AND SCOPE

Funds provide monthly subsistence allowance as authorized by 37 U.S.C. 402.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic allowance for subsistence costs are computed by multiplying the statutory rate by the programmed officer workyears. The increase in FY 1988 over FY 1987 is a direct result of the 2% pay raise effective 1 January 1988 and annualization of the 3% FY 1987 pay raise. Requirements are adjusted downward as a result of the decrease in workyears. The FY 1989 requirements reflect the projected 4.3% pay raise effective 1 January 1989, the annualization of the 2% FY 1988 pay raise and the decrease in manyears as a result of end strength reductions.

Details of the computation are provided in the following table:

	<u>FY 1987 Actual</u>		<u>FY 1988 Estimate</u>		<u>FY 1989 Estimate</u>	
	<u>Workyears</u>	<u>Statutory Rate</u>	<u>Workyears</u>	<u>Statutory Rate</u>	<u>Workyears</u>	<u>Statutory Rate</u>
Officers.....	108,935	\$1,341.96	106,957	\$1,372.08	105,767	\$1,423.32
		\$146,186		\$146,754		\$150,540
Total.....		\$146,186		\$146,754		\$150,540

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$68,409
FY 1989 Change	+ 8,000
FY 1989 Initial Estimate	60,409
FY 1988 Estimate	62,002
FY 1987 Actual	75,993

PROJECT: Station Allowances, Overseas

PART I - PURPOSE AND SCOPE

Funds provide payment of a per diem allowance to officers on duty outside the continental United States. The station allowance considers all elements of the cost of living, including quarters, subsistence and other necessary incidental expenses as prescribed by Joint Travel Regulations and authorized under the provisions of 37 U.S.C. 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

This allowance is authorized for the purpose of defraying the average excess costs experienced by service members. A Station Housing Allowance consist of the difference between the Basic Allowance for Quarters (BAQ) and the applicable housing costs in the overseas area where members is stationed.

The numbers entitled to an overseas station allowance are based on historical data adjusted for known changes of each type of allowance.

Pending the creation of a Foreign Currency Fluctuation Account for Military Personnel Appropriation the Cost of Living Allowance (COLA) and Housing Allowance (HA) are not adjusted to reflect the value of the dollar in foreign markets, in FY 1988 and FY 1989. Nor the increase in the number of personnel entitled to receive these pays are included.

Rates are adjusted upward in COLA to reflect the increase in Spendable Income Tables effective 1 March 1987. Also, the 2% pay raise in FY 1988 and the programmed 4.3% pay raise in FY 1989 result in increase in COLA rates. Housing Allowance rates are adjusted downward in both FY 1988 and FY 1989 to reflect the pay raises.

Temporary Lodging Allowance (TLA) rates in FY 1988 and FY 1989 are adjusted for inflation and the number of payments in each fiscal year.

Dollar amounts associated with above adjustments are summarized in the Schedule if Increases and Decreases.

(In Thousands of Dollars)

<u>Cost of Living</u>		<u>FY 1987 Actual</u>			<u>FY 1988 Estimate</u>			<u>FY 1989 Estimate</u>		
<u>Grade</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Amount</u>
General.....	53	\$3,547	\$ 188	45	\$2,696	\$ 121	45	\$2,783	\$ 126	
Colonel.....	817	3,336	2,726	678	2,967	2,012	728	3,063	2,230	
Lt Colonel.....	1,890	3,042	5,749	1,587	2,911	4,620	1,773	3,005	5,328	
Major.....	3,046	2,691	8,197	2,464	2,696	6,643	2,661	2,783	7,406	
Captain.....	6,695	2,307	15,445	5,595	2,358	13,193	6,016	2,434	14,643	
1st Lieutenant.....	1,690	1,958	3,309	1,280	2,105	2,694	1,571	2,173	3,414	
2nd Lieutenant.....	507	1,546	784	479	1,685	807	471	1,739	819	
Subtotal Cost of Living.....	14,698		\$ 36,398	12,128		\$ 30,090	13,265		\$ 33,966	

(Amount in Thousands of Dollars)

<u>Housing Allowance</u> <u>Grade</u>	<u>FY 1987 Actual</u>			<u>FY 1988 Estimate</u>			<u>FY 1989 Estimate</u>		
	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Average Rate</u>	<u>Amount</u>
General.....	0	\$ 0.00	\$ 0	0	\$ 0.00	\$ 0	0	\$ 0.00	\$ 0
Colonel.....	263	5,193.00	1,366	245	4,272.00	1,047	323	4,138.00	1,337
Lt Colonel.....	986	4,326.00	4,265	1,009	3,519.00	3,551	1,106	3,409.00	3,770
Major.....	1,749	3,684.00	6,443	1,736	2,950.00	5,121	1,850	2,858.00	5,287
Captain.....	4,229	3,320.00	14,040	4,159	2,625.00	10,917	4,621	2,543.00	11,751
1st Lieutenant.....	1,082	3,061.00	3,312	1,821	2,492.00	4,538	1,883	2,414.00	4,546
2nd Lieutenant.....	311	2,943.00	915	306	2,351.00	719	311	2,278.00	708
Subtotal Housing Allowance.....	8,620		\$ 30,341	9,276		\$ 25,893	10,094		\$27,399
Temporary Lodging Allowance.....	24,417	379.00	9,254	15,316	393.00	6,019	17,265	408.00	7,044
Total Station Allowance Overseas.....			\$75,993			\$62,002			\$68,409

(In Thousands of Dollars)

PROJECT: Uniform Allowances - Officers

FY 1989 Amended Estimate	\$2,556
FY 1989 Change	+23
FY 1989 Initial Estimate	2,533
FY 1988 Estimate	2,043
FY 1987 Actual	2,049

PART I - PURPOSE AND SCOPE

Funds provide an initial clothing allowance to officers upon commissioning and an additional allowance for purchase of required uniforms. Authorization for this allowance is under the provisions of 37 U.S.C. 415 and 416.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Uniform allowances are determined by applying statutory rates to the programmed number of eligible officers. Starting January 1, 1985 the initial clothing allowance paid to all personnel commissioned or appointed as officers in the Regular or Reserve component is \$200, regardless of source of commissioned or previous enlisted status. Increases/decreases in number of payments result from higher or lower accessions programmed.

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Payments	Statutory Rate	Amount	Payments	Statutory Rate	Amount
Initial Uniform Allowances.....	2,561	\$200	\$ 512	2,009	\$200	\$ 402
.....	4,270	200	854	4,798	200	960
.....						
Additional Uniform Allowances.....	6,831	100	683	6,807	100	681
Total.....	13,662		2,049	13,614		2,043
				8,522	100	852
				17,044		2,556

(In Thousands of Dollars)

PROJECT: Family Separation Allowances - Officers

FY 1989 Amended Estimate	\$2,664
FY 1989 Change	+109
FY 1989 Initial Estimate	2,555
FY 1988 Estimate	2,603
FY 1987 Actual	2,611

PART I - PURPOSE AND SCOPE

Funds provide family separation allowance (FSA) payments, under the provision of 37 U.S.C. 427, to officers with dependents to compensate for added expenses incurred because of forced separation from dependents when:

- (1) Travel of dependents to overseas duty station is not authorized and the member maintains two homes, one in CONUS for his family and one overseas and/or
- (2) When a member with dependents makes a permanent change of station or is on temporary duty travel for thirty days or more either in CONUS or overseas and the travel of dependents to his duty station is not authorized and dependents do not reside at or near the duty station.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of family separation allowance by the applicable statutory rate.

Details of the cost computation are provided in the following tables:

(Amount in Thousands of Dollars)

PCS Overseas with Dependents not Authorized and Maintains Two Homes

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Colonel.....	12	\$6,231.96	\$ 75	11	\$6,372.60	\$ 70
Lt Colonel.....	29	5,882.28	171	30	6,014.52	180
Major.....	44	5,392.68	237	40	5,513.88	221
Captain.....	110	4,365.72	480	126	4,465.20	563
1st Lieutenant.....	17	3,515.40	60	25	3,595.56	90
2nd Lieutenant.....	3	3,014.76	9	4	3,084.00	12
Total.....	215		\$ 1,032	236		\$ 1,136
PCS CONUS or overseas with dependents not authorized.....	1,129	\$ 720.00	\$ 813	1,055	\$ 720.00	\$ 760
TDY CONUS or overseas for more than 30 days with dependents not residing near TDY station.....	1,064	\$ 720.00	\$ 766	982	\$ 720.00	\$ 707
Total Family Separation Allowance..	2,408		\$ 2,611	2,273		\$ 2,603
						\$ 2,664

(In Thousands of Dollars)

PROJECT: Separation Payments

FY 1989 Amended Estimate	\$44,704
FY 1989 Change	+2,021
FY 1989 Initial Estimate	42,683
FY 1988 Estimate	45,382
FY 1987 Actual	42,746

PART I - PURPOSE AND SCOPE

Funds provide:

- (1) Lump sum terminal leave payments to officers under provisions of 10 U.S.C. 701, 37 U.S.C. 501 and P.L. 94-361.
- (2) Severance pay to officers, including elimination severance pay to officers not eligible for retirement under any provision of law on the date of elimination by promotion list passover, under provisions of 10 U.S.C. 1167, and 8903; disability severance pay under provisions of 10 U.S.C. 1212.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Separation payments are determined by multiplying the projected number of eligibles for each applicable separation payment at rates based on past experience and adjusted for pay raises. For leave accumulated prior to September 1, 1976, and retained throughout the career, payments include basic pay, basic allowance for subsistence and basic allowance for quarters. For leave accumulated after September 1, 1976, to include the lowering of the to September 1, 1976 leave balance, the rate payable is basic pay only. Leave payments will not exceed the career total of 60 days. Severance pay for promotion passovers is 10% of the product of (a) years of active service, and (b) 12 times the monthly basic pay to which the member was entitled at the time of discharge or release from active duty. The maximum amount payable is \$30,000.

A member separated for a physical disability is entitled to severance pay. To compute this pay the number of active years of service, (a maximum of 12 years) is multiplied by the sum of two months of basic pay at the grade in which the member is serving at the time of the disability. In the case of disability found during an examination for promotion, the severance pay is based on the grade to which member would have been promoted.

Detailed cost computations are provided in the following table:

(Amount in Thousands of Dollars)

Lump Sum Terminal Leave Payments

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Average		Number	Average		Number	Average	
		Days	Rate		Days	Rate		Days	Rate
General.....	56	57.1	\$12,353	50	58.6	\$12,824	62	58.6	\$13,304
Colonel.....	754	44.9	7,445	831	47.7	8,042	804	47.7	8,343
Lt Colonel.....	1,441	38.8	5,334	1,466	41.1	5,750	1,511	41.1	5,965
Major.....	1,740	35.5	4,102	1,775	32.9	3,829	1,420	32.9	3,972
Captain.....	3,444	25.5	2,141	3,478	30.3	2,699	3,759	30.3	2,800
1st Lieutenant.....	661	20.3	1,318	679	18.5	1,384	701	20.8	1,435
2nd Lieutenant.....	326	11.7	525	228	12.7	571	165	12.7	592
Subtotal.....	8,422			8,507			8,422		
				\$29,551			\$33,010		
33,818									
<u>Separation Pay</u>									
Fail Promotion/Unfit..	424		29,391	400		30,000	350		30,000
Disability.....	40		18,313	20		18,588	20		19,282
				733			372		
Total Separation Payments.....				\$42,746			\$45,382		
									\$44,704

(In Thousands of Dollars)

PROJECT: Social Security Tax - Employer's Contribution

FY 1989 Amended Estimate	\$296,347
FY 1989 Change	- 8,143
FY 1989 Initial Estimate	304,490
FY 1988 Estimate	285,065
FY 1987 Actual	229,578

PART I - PURPOSE AND SCOPE

Funds represent the Air Force contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) under provisions of 26 U.S.C. 3101, 3111.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Social Security costs are based on the percentage rate set by law on a member's salary for a calendar year. P.L. 92-216 and P.L. 98-21 dated 20 April 1983 establishes the tax rate while the maximum taxable income is determined by the Social Security Administration. Effective January 1, 1987, the tax rate increases to 7.15% on \$43,800 maximum taxable income. In 1988, the rate increases to 7.51% on \$45,000 taxable income and in 1989 increases to \$48,000. The FICA computations are based on base pay and the percentage rate set by law for a given calendar year. The increase in requirements is the result of the full year impact of the 1 January 1988 tax rate and the increase in maximum wages taxed. The 2% pay raise in FY 1988 and the programmed 4.3% pay raise in FY 1989 have an impact in the social security requirements.

Funding for FY 1988 and FY 1989 includes employer's contribution to Social Security for which military members receive wage credit but no social security tax (i.e., quarters and subsistence allowances.) The decision was made to transfer this requirement to the Military Personnel Appropriation from the Department of Human Services.

Details of the computations are shown below:

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Average Rate	Number	Average Rate	Number	Average Rate
Officers	108,935	\$2,107.48	106,957	\$2,665.23	105,767	\$2,801.89
		\$229,578		\$285,065		\$296,347
Adjustment to be consistent with final obligations						
		+\$ 13,873				

1/ Includes \$39,294 in FY 1988 and FY 1989 for members who receive wage credit but no social security tax which was formerly under the Department of Human Services

Schedule of Increases and Decreases
(In Thousands of Dollars)

2. Pay and Allowances of Enlisted
FY 1988 Amended President's Budget (Direct Program) Amount
\$11,832,994

Increases:

Basic Pay 65,143

- 13,466 Workyear Decrease -180,600
- Annualization of FY88 1 Jan 88
2% pay raise + 31,683
- FY 89 1 January 1989 4.3% pay raise +208,529
- Grade Structure/Longevity Increase + 5,531

Social Security 5,401

- 13,466 Workyear Decrease - 13,913
- Annualization of FY 88 1 Jan 88
2% pay raise + 2,379
- FY 89 1 Jan 89 4.3% pay raise + 13,644
- FICA rate change from 7.15% in CY87
to 7.51% in CY88 + 3,146
- Grade Structure/Longevity Increase + 415

Uniform Allowance 6,343

- 13,466 Workyear Decrease - 1,431
- OSD rate increase + 2,247
- Additional 10,000 NPS accessions
requiring initial issue bags + 5,527

Overseas Station Allowances 26,478

- Requirements are based on October 1986 currency rates, adjusted for the 1 March 1987 revision of the spendable income table, the contract cleaning of military family housing policy change that reduced Temporary Lodging Allowance requirements, Temporary Lodging Allowance inflation of 3.8%, and an FY89 pay raise of 4.3%

Variable Housing Allowance 185

- Resulting from 13,466 Workyear decrease - 9,221
- 3.4% 1 Jan 89 housing cost increase + 4,478
- Conversion of members from Overseas
Housing Allowance to VHA in Alaska and Hawaii + 4,928

Family Separation Allowance	308	
Reimbursements	3,523	
- Decrease in anticipated foreign military sales (training) causes a corresponding increase in direct program requirements		
Total Increases		\$107,381
Decreases:		
Retired Pay Accrual	\$29,078	
- 13,466 Workyear Decrease	- 89,110	
- Annualization of FY 88 1 Jan 88 2% Pay Raise	+ 16,904	
- FY 89 1 Jan 89 4.3% Pay Raise	+104,576	
- Reduction in retired pay accrual rate from 51.2% in FY 88 to 50.2% in FY 89	- 64,308	
- Grade Structure/Longevity Increase	+ 2,860	
Basic Allowance for Quarters	3,782	
- Resulting from 13,466 Workyear decrease	- 35,882	
- Annualization of FY 88 1 January 1988 2% Pay Raise	+ 4,058	
- FY 89 1 January 1989 4.3% pay raise	+ 27,323	
- Grade Structure Increase	+ 719	
Separation Payments	12,769	
- 11,221 fewer payments due to 15,770 fewer total losses as a result of the early release in FY 88	- 14,745	
- Annualization of FY 88 1 Jan 88 2% pay raise	+ 261	
- FY 89 1 Jan 89 4.3% pay raise	+ 1,715	
Selective Reenlistment Bonus	658	
- 3,700 fewer anniversary payments	- 2,653	
- Annualization of FY 88 1 Jan 88 2% pay raise	+ 155	
- FY 89 1 Jan 89 4.3% pay raise	+ 1,840	
Special Pay	11	
Total Decreases		\$ 46,298
FY 1989 Amended Request (Direct Program)		\$11,894,077

(In Thousands of Dollars)

PROJECT: Basic Pay of Enlisted

FY 1989 Amended Estimate	\$6,530,778
FY 1989 Change	+ 113,618
FY 1989 Initial Estimate	6,417,160
FY 1988 Estimate	6,465,635
FY 1987 Actual	6,432,185

PART I - PURPOSE AND SCOPE

Funds provide basic compensation to enlisted personnel on active duty, including length of service increments, under provision of 37 U.S.C. 201, 203 and 205.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The FY 87 program is based on a beginning strength of 494,666 enlisted personnel, an end strength of 495,244 and 495,774 manyears. The FY 1988 program is based on an end strength of 465,648 and 482,658 manyears. The FY 1989 program is based on an end strength of 465,645 and 469,192 manyears. FY 1988 strength was reduced by 29,596 from FY 1987 to stay within the dollars appropriated. To achieve this large reduction, non prior service accessions were reduced to 40,000 and a date of separation (DOS) rollback of approximately 20,000 enlisted will be accomplished—Enlisted personnel with a DOS in the last half of FY 1988 will be separated in Mar 88 and those with a DOS in the first half of FY 1989 will be separated in April 88. FY 1989 end strength will be maintained at the same level as FY 1988 end strength, however, because of the early release in FY 1988 of members originally programmed as losses in FY 1989, monthly strengths are higher than the end strength causing the manyears to exceed the end strength.

In FY 88, Air Force top five grade strengths will decline from 227,901 at the end of FY 87 to 226,131 in FY 88. However, because of the management actions the Air Force was forced to take to stay within the appropriated dollars, the lower three grade strengths and total strength is much lower resulting in a higher percentage in the top five grades. In order to stay within the allocated dollars in FY 88 the Air Force reduced non-prior service accessions by 15,000 and implemented a date of separation rollback of approximately 20,000 enlisted personnel. Both these programs affect enlisted personnel in the lower grades (E-1 through E-4).

For FY 89, we plan to continue our reduction in the top five grade to 223,511, which will be 48% of the total enlisted strength. In times where the Air Force is managing massive reductions in end strength it will be the senior more experienced personnel who will carry us through. Any reductions in top five grades would result in sharply diminished promotion opportunity, sending the wrong signal to the same NCOs who are needed in time of mobilization and rapid force expansion.

(Amount in Thousands of Dollars)

Basic Pay

Grade	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Amount	Workyears	Amount	Workyears	Amount
Chief Master Sergeant..	5,008	\$ 28,314	4,994	\$ 29,001	4,759	\$ 30,223
Senior Master Sergeant.	9,899	23,525	9,892	24,089	9,539	25,066
Master Sergeant.....	39,314	19,911	39,580	20,352	39,280	20,906
Technical Sergeant.....	59,445	16,694	59,787	17,079	58,728	17,755
Staff Sergeant.....	114,047	13,743	114,853	14,029	112,833	14,607
Sergeant.....	117,580	11,492	113,529	11,768	110,924	12,208
Airman First Class.....	96,658	9,496	95,578	9,711	85,177	10,113
Airman.....	35,391	8,790	31,469	8,989	30,300	9,343
Airman Basic.....	18,432	7,315	12,976	7,519	17,652	7,769
Total.....	495,774	\$6,432,185	482,658	\$6,465,635	469,192	\$6,530,778

(In Thousands of Dollars)

PROJECT: Retired Pay Accrual - Enlisted

FY 1989 Amended Estimate	\$3,278,449
FY 1989 Change	+63,448
FY 1989 Initial Estimate	3,215,001
FY 1988 Estimate	3,307,527
FY 1987 Actual	3,357,287

PART I - PURPOSE AND SCOPE

Funds provide for the Department of Defense's contribution to its Military Retirement Fund, under provisions of 10 U.S.C. 1466. Retired pay accrual amounts will be precisely the specified percent of basic pay.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The budget estimates are derived as a product of:

- (a) An accrual percentage of 52.2% for FY 1987, 51.2% for FY 1988 and 50.2% for FY 1989, and,
 - (b) The total amount of basic pay expected to be paid during the fiscal year to enlisted members of the armed forces.
- (Note: Base Pay adjusted for pay raise on 1 January 1988 of 2% (FY88) and 1 January 1989 of 4.3% (FY89).)

The computation of fund requirements is shown in the following table:

<u>FY 1987 Actual</u>			<u>FY 1988 Estimate</u>			<u>FY 1989 Estimate</u>		
<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>	<u>Workyears</u>	<u>Rate</u>	<u>Amount</u>
495,774	\$6,771.81	\$3,357,287	482,658	\$6,852.73	\$3,307,527	469,192	\$6,987.44	\$3,278,449

(In Thousands of Dollars)

PROJECT: Incentive Pay for Hazardous Duty

FY 1989 Amended Estimate	\$28,076
FY 1989 Change	-1,579
FY 1989 Initial Estimate	29,655
FY 1988 Estimate	28,076
FY 1987 Actual	28,368

PART I - PURPOSE AND SCOPE

The purpose of incentive pay for hazardous duty is to help the Air Force attract and retain enlisted volunteers in duties requiring more than normal exposure to hazardous duties in peacetime.

Funds provide pay to enlisted personnel, under provisions of 37 U.S.C. 301, for the following types of duty:

- (1) Crew member - A member who is required by competent orders to participate frequently and regularly in aerial flights. Minimum monthly flight requirements must be attained in order to qualify for this pay.
- (2) Non-crew member - Involves frequent and regular participation in aerial flights. Enlisted personnel non-crew members are classified as "operational support flyers". They are required to perform critical inflight duties (such as maintenance) that cannot be performed by an assigned crew member.
- (3) Parachute jumping - Incentive pay for hazardous duty to induce volunteer enlisted personnel to enter into and remain in duty involving parachute jumping from an aircraft in aerial flight.
- (4) Demolition - Explosive demolition as a primary duty including training for such duty. Paid to members who demolish, by the use of explosives, underwater objects, obstacles or explosives, or who recover and render harmless, by disarming or demolition, explosives which have failed to function as intended or which become a potential hazard.
- (5) Experimental stress - Duties involving an unusually high level of physiological or other stress; specifically (1) duty inside a high (hyperbaric) or low pressure (altitude) chamber, (2) duty as a human test subject in thermal stress experiments, and (3) duty as human acceleration/deceleration test subject.
- (6) Toxic fuel handler - Duties in which personnel may be exposed to toxic fuels and propellants. This pay was initiated as a result of a number of casualties among personnel who work with hypergolic fuel, specifically, hydrazine and nitrogen tetroxide.
- (7) Live/Hazardous biological organisms - Duties in which members may be exposed to toxic pesticides or to various hazardous viruses and biological organisms.

(8) Other hazardous duty required by order and authorized under the provisions of 37 U.S.C. 301.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Incentive duty pay is computed on the basis of the average number of enlisted personnel in each pay grade who are eligible for payment. Average pay rates for flying duty crew members are those prescribed by law, based on average years of service by pay grade. All other hazardous duty pay is computed at the statutory rate per manyear.

The computation of fund requirements is provided in the following tables:

(Amount in Thousands of Dollars)

Flying Duty-Crew Members

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Chief Master Sergeant....	254	\$2,400	\$ 610	261	\$2,400	\$ 626	261	\$2,400	\$ 626
Senior Master Sergeant..	534	2,400	1,282	526	2,400	1,262	526	2,400	1,262
Master Sergeant.....	1,741	2,400	4,178	1,758	2,400	4,219	1,758	2,400	4,219
Technical Sergeant.....	2,412	2,100	5,065	2,369	2,100	4,975	2,369	2,100	4,975
Staff Sergeant.....	3,622	1,800	6,520	3,507	1,800	6,313	3,507	1,800	6,313
Sergeant.....	1,709	1,500	2,564	1,794	1,500	2,691	1,794	1,500	2,691
Airman First Class.....	726	1,320	958	902	1,320	1,191	902	1,320	1,191
Airman.....	252	1,320	333	139	1,320	183	139	1,320	183
Airman Basic.....	20	1,320	26	14	1,320	18	14	1,320	18
Subtotal.....	11,270		\$ 21,536	11,270		\$ 21,478	11,270		\$ 21,478
<u>Non-Crew Members</u>									
Subtotal.....	1,262	1,320	\$ 1,666	1,100	1,320	\$ 1,452	1,100	1,320	\$ 1,452
Total Flying Duty Pay.			\$23,202			\$22,930			\$22,930
Other Incentive Duty Pay									
Parachute Jumping.....	831	1,620	1,346	803	1,620	1,301	803	1,620	1,301
High and Low-Pressure chamber inside observer, human acceleration/de- celeration experimental observer & test subject in thermal stress experiments.....	545	1,320	719	559	1,320	738	559	1,320	738
Demolition Duty.....	1,421	1,320	1,876	1,426	1,320	1,882	1,426	1,320	1,882
Toxic Fuel Handlers.....	786	1,320	1,038	786	1,320	1,038	786	1,320	1,038
L/Hazard Bio Org.....	142	1,320	187	142	1,320	187	142	1,320	187
Subtotal.....	3,725		\$ 5,166	3,716		\$ 5,146	3,716		\$ 5,146
Total Incentive Pay..			\$28,368			\$28,076			\$28,076

PROJECT: Special Pay of Enlisted

FY 1989 Amended Estimate	\$11,465
FY 1989 Change	+644
FY 1989 Initial Estimate	10,821
FY 1988 Estimate	11,476
FY 1987 Actual	10,019

PART I - PURPOSE AND SCOPE

Funds provide special pay to enlisted personnel for sea duty or duty outside the contiguous 48 states and the District of Columbia at places designated by the Secretary of Defense under the provisions of 37 USC 305 and 305a; for duty subject to hostile fire under the provisions of 37 U.S.C. 310; and for special pay for enlisted members extending duty at designated locations overseas under the provisions of 37 U.S.C. 314.

- (1) Duty at certain places - Payment to certain enlisted personnel for purposes of morale and in recognition of the greater than normal hardship experienced at designated locations outside the 48 contiguous states and the District of Columbia. Payment is based on grade with rates ranging from \$8 to \$22.50 per month.
- (2) Overseas duty extension pay - Purpose is to induce enlisted personnel in certain specified "critical skill" classifications to extend their tours for the convenience of the government. Some military specialties are imbalanced in that there are many more positions overseas than in the United States. This results in members being reassigned overseas after less than two years in the U. S. This is a career irritant that has resulted in many voluntary separations from the service. A financial incentive for extending tours of duty overseas helps alleviate these problems as well as conserve PCS funds.
- (3) Diving duty pay - Authorized for enlisted members of the Air Force under the provisions of 37 U.S.C. 304. The specific amount to be paid is determined by the Secretary of the Air Force. Although the maximum amount authorized by law is \$300/month for enlisted personnel, the amounts paid by the Air Force are \$150 or \$100 per month based on divers' skill levels, responsibility, hazard, and need for the incentive. Air Force enlisted members engaged in diving duties fall into two career fields, pararescue and diving duty basic. Pararescue divers conduct day/night underwater rescue operations; recover space vehicles; detect and treat decompression sickness, diving accidents/injuries; infiltrate and exfiltrate for land rescue in combat environment and; deploy to sea via parachute, helicopter, surface or subsurface vessel. Combat control team members, who receive the diving duty-basic scuba pay, conduct infiltration and exfiltration to establish and manage air landing/off-load areas ashore. They enter water from surface vessel, parachute or helicopter drop.
- (4) Foreign Language Proficiency Pay - Authorized in 37 U.S.C. 316 for enlisted members who have been certified as proficient in a foreign language identified by the Secretary of Defense and who is: (1) qualified in a military specialty requiring such proficiency; (2) received training to develop such proficiency; (3) assigned to military duties requiring such a proficiency; or (4) is proficient in a language for which DoD has a critical need. The pay shall not exceed \$100 a month.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Amounts are computed by applying statutory rates to the average numbers of personnel programmed to be eligible.

Details of the computation are shown in the following table:

(Amount in Thousands of Dollars)

Duty at Certain Places

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Chief Master Sergeant...	307	\$270	\$ 83	308	\$270	\$ 83	308	\$270	\$ 83
Senior Master Sergeant..	869	270	235	871	270	235	870	270	235
Master Sergeant.....	3,502	270	946	3,515	270	949	3,511	270	948
Technical Sergeant.....	5,889	240	1,413	5,907	240	1,418	5,898	240	1,416
Staff Sergeant.....	11,969	192	2,298	12,015	192	2,307	11,998	192	2,304
Sergeant.....	13,306	156	2,076	13,357	156	2,084	13,338	156	2,081
Airman First Class.....	8,570	108	926	8,603	108	929	8,591	108	928
Airman.....	2,838	96	272	2,849	96	274	2,845	96	273
Airman Basic.....	291	96	28	292	96	28	292	96	28
Subtotal.....	47,541		\$ 8,277	47,717		\$ 8,307	47,651		\$ 8,296
Diving Duty-Basic Scuba.	247	1,320	326	247	1,320	326	247	1,320	326
Diving Duty-Pararescue..	222	1,800	400	325	1,800	585	325	1,800	585
Sea Duty.....	20	660	13	20	660	13	20	660	13
Hostile Fire	19	1,320	25	16	1,320	21	16	1,320	21
Overseas Extension.....	679	960	652	800	960	768	800	960	768
Foreign Lang Pro Pay....	362	900	326	1,618	900	1,456	1,618	900	1,456
Total Special Pay...	49,090		\$ 10,019	50,743		\$ 11,476	50,677		\$ 11,465

(In Thousands of Dollars)

PROJECT: Special Duty Assignment Pay

FY 1989 Amended Estimate	\$11,068
FY 1989 Change	-363
FY 1989 Initial Estimate	10,705
FY 1988 Estimate	11,068
FY 1987 Actual	10,818

PART I - PURPOSE AND SCOPE

Funds provide special duty assignment pay for enlisted members who are qualified and serving in a designated military specialty. This special pay is in accordance with provisions of 37 U.S.C. 307.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimate is based on the number of individuals programmed to occupy skills for which special duty assignment pay is authorized. This pay is currently limited to recruiters, basic military training instructors, human intelligence debriefers, combat controllers, pararescue personnel and members of two joint operational commands. The pay is used to attract volunteers, motivate retention in these special duty assignments and to compensate individuals for demanding and arduous duties. AF members assigned to the Joint Communications Unit, at Ft Bragg, N.C. were authorized SDAP effective 1 September 1987.

(Amount In Thousands of Dollars)

SPECIAL DUTY ASSIGNMENT PAY (SDAP)	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Workyears	Amount	Workyears	Amount	Workyears	Amount
SD-5 (\$275)	2,399	\$ 7,917	2,420	\$ 7,986	2,420	\$ 7,986
SD-4 (\$220)	231	610	267	705	267	705
SD-3 (\$165)	950	1,881	970	1,921	970	1,921
SD-2 (\$110)	261	345	290	383	290	383
SD-1 (\$55)	98	65	111	73	111	73
SDAP Total	3,939	10,818	4,058	11,068	4,058	11,068

(In Thousands of Dollars)

PROJECT: Selective Reenlistment Bonus

FY 1989 Amended Estimate	\$ 72,697
FY 1989 Change	-31,031
FY 1989 Initial Estimate	103,728
FY 1988 Estimate	73,555
FY 1987 Actual	88,998

PART I - PURPOSE AND SCOPE

Funds provide selective reenlistment bonuses (SRBs) authorized under the provisions of 37 U.S.C., 308. Enlisted members designated as having critical military skills and who have completed at least twenty-one months of continuous active duty (other than reservists on active duty for training) but not more than fourteen years of active duty, may be paid bonuses. The bonus is the lesser of \$30,000 or the product of up to six months of the basic pay, to which the member was entitled at the time of discharge or release, and the number of years of additional obligated service (not to exceed six years). The SRB replaced the Variable Reenlistment Bonus and Regular Reenlistment Bonus on June 1, 1974. The Air Force has chosen to place a maximum ceiling of \$20,000 for any given selective reenlistment bonus and capped the maximum bonus level at 3.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Selective reenlistment bonus requirements are based on retention trends, current and projected manning levels and year group shortages in critical skills. SRBs are targeted at individuals in critical skills characterized by retention levels insufficient to sustain the career force at an adequate level. To ensure we are spending money wisely and obtaining maximum readiness impact, the Air Force performs a top to bottom review of all skills twice each year.

The FY 1988 DOD Authorization Act changed the SRB pay methodology, effective 1 October 1987, SRBs must be paid either in a lump sum amount upon reenlistment or in installments with a minimum of 50% in the initial installment. The Air Force has elected to pay SRBs under the installment program paying 50% up front and the remaining in equal annual anniversary payments.

During FY 87, the SRB increased the retention in the sortie-producing/readiness skills. The SRB maintains these higher rates to attract more reenlistments in critical military skills with inadequate retention, eliminate NCO shortages, improve experience levels and ensure adequate retention to sustain the career force.

The increased number of new SRB payments in FY 87 was driven by a significant reduction of the SRB program in October 1987. Personnel who were programmed for FY 88 reenlistments elected to reenlist in FY 87 to take advantage of a more favorable SRB. The Air Force is programming fewer new SRB payments in FY88 as a result of these reductions.

Funding for the forgiveness of the obligated service provision as authorized by the Uniformed Services Pay Act of 1981 is included in the new payment budget line for FY88. This allows the Air Force to forgive up to 24 months of an unserved extension of enlistment in computing SRB entitlements for first-term airmen who agree to retrain into and reenlist in SRB skills. This provision recognizes that extensions of enlistment for retraining are service-directed and are for the best interest of the service, not the individual. This program encourages retraining into defense essential skills and increases the attractiveness of reenlisting in critical SRB skills.

Anniversary payments have increased each year because of the normal accumulation of obligated payments due FY 1982-1986 reenlistees. Since the 50/50 method of payment began in FY 1982 and the longest period of reenlistment in the Air Force is six years, anniversary payments will begin to somewhat stabilize in FY 88. These anniversary payments have been reduced by anticipated recoupments during each FY.

Accelerated payments are installment payments made in advance of the normal anniversary dates when enlisted members can document unique and unusual hardships not common to their contemporaries.

The following are the Air Force's ten worst manned Chronic Critical Shortage (CCS) Skills:

<u>AFSC</u>	<u>Title</u>
201X0	Intelligence Ops
205X0	Electronic Intelligence Ops
208X50	Crypto Linguist, Persian
208X38	Crypto Linguist, Polish
208X2A	Crypto Linguist, Spanish
209X0	Defensive C3 Countermeasures
275X0	TAC Air Omd and Control
277X0	Space Systems Ops
411X0A	Missile System Maint
463X0	Nuclear Weapons

The following are the Air Force's ten skills with the largest numbers of surplus NCOs:

871X0C	Band, Bassoon
871X0N	Band, Guitar
871X0H	Band, Euphonium
871X0K	Band, Tuba
871X0F	Band, Flute
753X1	Gunsmith
306X3	Telecomm Sys Maint
341X2	Def Sys Trainer
341X2	Msl Trainer
551X0	Pavements Maint

The criterion used to select the above skills was NCO assigned strength as a percentage of NCO authorizations, not the absolute size of the shortage or overage. For this report, "NCO" was restricted to grades E-5 through E-7.

The Air Force has and will continue to focus management initiatives to balance overage and shortage skills. For shortage skills, the Air Force continually evaluates the SRB program and offers bonuses where appropriate. Other initiatives to fill shortage skills include: increased promotion opportunity to members in OCS skills; recruiting fully qualified prior service personnel; focusing retraining into shortage skills; returning previously qualified specialists to shortage skills; and permitting selected members of members in shortage skills to remain on active duty beyond their high year of tenure. The following actions are aimed at reducing overage skills: restricting fully qualified prior service personnel from enlisting in overage skills; voluntary and involuntary retraining out of overage skills into shortage skills; and screening/selecting personnel in overage skills for service in shortage skills in which previously qualified.

The following specialties are currently identified for change actions during FY 1988. These actions are based upon current projections and could vary if retention and/or requirements change:

<u>SPECIALTY</u>	<u>ACTION</u>	<u>REASON</u>
Flight Engineer	Zone A Terminate	PO
Airborne Comp Sys	Zone B Terminate	PO
Survival	Zone A Increase	PS
AC and W Radar	Zone B Terminate	DA
Weather	Zone A Terminate	PO
Elect Comp/Crypto	Zone A/B Terminate	PO
Maint Data Sys Analyst	Zone A Add	PS

* REASONS

PO = Projected Overages
 PS = Projected Shortage
 DA = Decreased Authorizations

The following specialities are currently identified for change actions during FY 1989. These actions are based upon current projections and could vary if retention and/or requirements change:

<u>SPECIALITY</u>	<u>ACTION</u>	<u>REASON *</u>
Aircraft Electrical System	Zone A Terminate	PO
F15 Avionics System	Zone A,B Decrease	PO
F16 Avionics System	Zone A,B Decrease	PO
Abn Radar System	Zone A Decrease	PO
Air Traffic Controller	Zone B Terminate	PO
Nuclear Weapons	Zone A Add	PS
F/FB III Avionics Test Stn	Zone A Decrease Zone B Terminate	PO
Combat Control Opr	Zone B Terminate	PO

* REASONS

PO = Projected Overages
 PS = Projected Shortage
 DA = Decreased Authorizations

(Amount in Thousands of Dollars)

Selective Reenlistment Bonus

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
Initial Payments	18,203	2,463.55	\$44,844	15,000	2,031.20	\$30,468	15,000	2,184.67	\$32,770
50% FY86-87 75% FY88-89									
Extension Foreignness									
Cases (Cost Included in									
Init Pmts) Non Ad1	(455)	(1,377.00)	(627)	(3,016)	(939.00)	(2,832)	(3,005)	(1,098.00)	(3,299)
Anniversary Payments....	73,332	599.53	43,965	72,521	590.06	42,792	68,821	576.16	39,652
Accelerated Payments....	63	3,000.00	189	117	2,521.37	295	113	2,433.63	275
Subtotal SRB.....	91,598		88,998	87,638		73,555	83,934		72,697
Total Reenlistment Bonus	91,598		\$ 88,998	87,638		\$ 73,555	83,934		\$ 72,697

ENLISTMENT BONUS (OUTYEAR IMPACT
MILITARY PERSONNEL, AIR FORCE
(IN THOUSANDS OF DOLLARS)

	FY 1987		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992		FY 1993		FY 1994	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Obl	73,332	43,965	57,159	31,913	38,564	21,481	20,985	13,000	9,007	5,185						
Accel Pmts	63	189	117	295	113	275	113	275								
Prior Yr (FY 87)	18,203	44,844	15,362	10,879	15,361	10,763	15,127	8,224	10,549	5,786	10,011	5,447				
Current Yr (FY 88)	-	-	15,000	30,468	14,896	7,408	14,632	7,320	14,210	7,243	10,145	4,434	6,755	4,102		
Budget Yr (FY 89)	-	-	-	-	15,000	32,770	14,898	7,983	14,632	7,897	14,210	7,815	10,145	4,784	6,755	4,425
Total:																
Init Pmts	18,203	44,844	15,000	30,468	15,000	32,770	-	-	-	-	-	-	-	-	-	-
Ann Pmts	73,395	44,154	72,638	43,087	68,934	39,927	65,755	36,802	48,398	26,111	34,366	17,696	16,900	8,886	6,755	4,425
Total SRB	91,598	88,998	87,638	73,555	83,934	72,697	65,755	36,802	48,398	26,111	34,366	17,696	16,900	8,886	6,755	4,425

(In Thousands of Dollars)

PROJECT: Enlistment Bonus

FY 1989 Amended Estimate	\$1,100
FY 1989 Change	-300
FY 1989 Initial Estimate	1,400
FY 1988 Estimate	900
FY 1987 Actual	476

PART I - PURPOSE AND SCOPE

Funds provide an enlistment bonus (incentive) of not more than \$8,000 to personnel who enlist for a period of at least four years in a designated critical skill approved by the Office of the Secretary of Defense in accordance with the provisions of 37 U.S.C. 308a and 308f.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The bonus is used to avoid a recruiting shortfall in designated skills by requiring a longer enlistment of qualifying personnel. It provides an incentive to complete training and thereby reduces training attrition. The estimate is based on the number of enlistees required and programmed to enter the designated specialties and complete training, multiplied by the enlistment bonus rate approved by the Office of the Secretary of Defense.

The enlistment bonus is paid after completion of technical training and arrival at the first duty assignment. Therefore, for skills with a long training pipeline, the current year funding pays for enlistment bonuses that were contracted in prior FYs. The growth in the FY 88/89 program is due to an increased number of crypto linguists (average 22 month training period) who were placed in training in prior FYs becoming eligible for their bonuses.

Cost computations are provided by the following table:

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
New Payments	1	\$1,000	\$ 1	10	\$1,000	\$10	12	\$1,000	\$ 12
Residual									
New Payments	35	1,000	35	88	1,000	88	104	1,000	104
	0	1,500	0	0	1,500	0	0	1,500	0
	220	2,000	440	401	2,000	802	492	2,000	984
	0	2,500	0	0	2,500	0	0	2,500	0
	0	3,000	0	0	3,000	0	0	3,000	0
	255		475	489		890	596		1,088
Sub Total									
	256		476	499		900	608		\$1,100
TOTAL									

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ENLISTMENT BONUS
MILITARY PERSONNEL, AIR FORCE
(IN THOUSANDS OF DOLLARS)

	FY 1987		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Prior Year (FY 87)	1	\$ 1	-	-	-	-	-	-	-	-	-	-
Current (FY 88)	35	35	10	\$10	-	-	-	-	-	-	-	-
Budget (FY 89)	220	440	88	88	12	12	-	-	-	-	-	-
Budget (FY 90)	-	-	401	802	104	104	12	\$12	-	-	-	-
Budget (FY 91)	-	-	-	-	492	984	104	104	12	\$12	-	-
Budget (FY 92)	-	-	-	-	-	-	492	984	104	104	12	\$12
Total	256	\$ 476	499	\$900	608	\$1,100	608	\$1,100	116	\$116	12	\$12

(In Thousands of Dollars)

PROJECT: Basic Allowance for Quarters - Enlisted

FY 1989 Amended Estimate	\$858,434
FY 1989 Change	+ 9,058
FY 1989 Initial Estimate	849,376
FY 1988 Estimate	862,216
FY 1987 Actual	862,548

PART I - PURPOSE AND SCOPE

Funds requested provide payment of basic allowances for quarters authorized under provisions of 37 U.S.C. Section 403, with or without dependents; and to enlisted personnel occupying inadequate family housing under the provisions of 10 U.S.C. 2830.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Basic allowance for quarters (BAQ) is determined by multiplying the number of eligible enlisted personnel by the statutory rates, by pay grade. The total requirement considers the projected number of sponsor manyears and the projected number of these manyears that will reside in government housing. For inadequate housing the rate payable is the with-dependent rate less the current experienced average rate charge of the fair rental value of the housing unit. This charge is limited to 75% of the BAQ rate. The FY 88 program includes a 2% 1 Jan 88 pay raise and the FY 89 program a 4.3% 1 Jan 89 pay raise.

Dollar amounts associated with the above adjustments to BAQ program costs are summarized in the Schedule of Increases and Decreases.

The computation of fund requirements is provided by the following tables:

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
With Dependents

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Chief Master Sergeant.....	3,255	\$5,432.16	\$ 17,682	3,133	\$5,554.08	\$ 17,401	2,904	\$5,759.16	\$ 16,725
Senior Master Sergeant....	6,008	5,060.52	30,404	5,692	5,174.04	29,451	5,351	5,365.32	28,710
Master Sergeant.....	22,092	4,706.64	103,979	21,836	4,812.36	105,083	21,554	4,989.96	107,554
Technical Sergeant.....	29,830	4,270.68	127,394	29,299	4,366.56	127,936	28,351	4,529.28	128,410
Staff Sergeant.....	46,602	3,795.36	176,871	45,827	3,880.56	177,834	44,280	4,023.96	178,181
Sergeant.....	39,922	3,280.68	130,971	37,082	3,354.36	124,386	35,649	3,477.72	123,977
Airman First Class.....	27,359	3,016.32	82,523	28,536	3,084.00	88,005	25,124	3,199.08	80,374
Airman.....	6,396	3,016.32	19,292	5,844	3,084.00	18,023	5,624	3,199.08	17,992
Airman Basic.....	2,087	3,016.32	6,295	1,540	3,084.00	4,749	2,124	3,199.08	6,795
Subtotal with Dependents.....	183,551		\$ 695,411	178,789		\$ 692,868	170,961		\$ 688,718

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
Without Dependents - Full Allowance

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Rate	Amount	Workyears	Rate	Amount	Workyears	Rate	Amount
Chief Master Sergeant.....	155	\$3,984.72	\$ 618	103	\$4,074.24	\$ 420	98	\$4,224.60	\$ 414
Senior Master Sergeant....	341	3,691.68	1,259	308	3,774.60	1,163	297	3,916.20	1,163
Master Sergeant.....	2,154	3,152.04	6,789	2,126	3,222.84	6,852	2,110	3,344.04	7,056
Technical Sergeant.....	5,715	2,798.28	15,992	5,746	2,861.04	16,440	5,644	2,968.68	16,755
Staff Sergeant.....	19,135	2,587.44	49,511	19,937	2,645.52	52,744	19,587	2,742.12	53,710
Sergeant.....	23,313	2,244.36	52,323	22,621	2,294.76	51,910	22,102	2,381.64	52,639
Airman First Class.....	11,036	2,180.04	24,059	10,429	2,229.00	23,246	9,294	2,311.08	21,479
Airman.....	1,361	1,851.24	2,520	1,166	1,892.76	2,207	1,123	1,961.76	2,203
Airman Basic.....	119	1,686.84	201	82	1,724.64	141	111	1,787.16	198
Subtotal without Dependents.....	63,329		\$ 153,272	62,518		\$ 155,123	60,366		\$ 155,617

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
Without Dependents - Partial Allowance

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Chief Master Sergeant.....	13	\$223.20	\$ 3	22	\$226.56	\$ 5	21	\$230.40	\$ 5
Senior Master Sergeant.....	37	183.60	7	28	186.36	5	27	189.48	5
Master Sergeant.....	211	144.00	30	288	146.16	42	286	148.68	43
Technical Sergeant.....	880	118.80	105	532	120.60	64	523	122.64	64
Staff Sergeant.....	6,282	104.40	656	6,938	105.96	735	6,816	107.76	734
Sergeant.....	25,387	97.20	2,468	28,467	98.64	2,808	27,814	100.32	2,790
Airman First Class.....	51,478	93.60	4,818	53,800	95.04	5,113	47,945	96.60	4,631
Airman.....	25,883	86.40	2,236	24,387	87.72	2,139	23,481	89.16	2,094
Airman Basic.....	14,513	82.80	1,202	11,272	84.00	947	15,334	85.44	1,310
Subtotal without Dependents-Partial.....	124,684		\$ 11,525	125,734		\$ 11,858	122,247		\$ 11,676

(Amount in Thousands of Dollars)

Basic Allowance for Quarters
Without Dependents - Inadequate

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount	Workyears	Statutory Rate	Amount
Chief Master Sergeant.....	3	\$1,218.60	\$ 4	3	\$1,232.28	\$ 4	3	\$1,261.80	\$ 4
Senior Master Sergeant....	11	1,255.80	14	11	1,269.96	14	11	1,300.44	14
Master Sergeant.....	58	1,161.00	67	58	1,174.08	68	58	1,202.28	70
Technical Sergeant.....	170	1,111.68	189	170	1,124.16	191	170	1,151.16	196
Staff Sergeant.....	563	1,035.48	583	563	1,047.12	590	563	1,072.20	604
Sergeant.....	1,130	869.28	982	1,130	879.00	993	1,130	900.12	1,017
Airman First Class.....	605	777.84	471	605	786.60	476	605	805.44	487
Airman.....	30	843.00	25	30	852.48	26	30	872.88	26
Airman Basic.....	4	1,305.60	5	4	1,320.24	5	4	1,351.92	5
Subtotal									
Inadequate.....	2,574		\$ 2,340	2,574		\$ 2,367	2,574		\$ 2,423
Total BAQ			\$862,543			\$862,216			\$858,434

(Amount in Thousands of Dollars)

PROJECT: Variable Housing Allowance - Enlisted

FY 1989 Amended Estimate	\$180,071
FY 1989 Change	- 27,735
FY 1989 Initial Estimate	207,806
FY 1988 Estimate	179,886
FY 1987 Actual	180,181

PART I - PURPOSE AND SCOPE

Funds required provide payment of Variable Housing Allowance (VHA) authorized under provisions of 37 U.S.C. 403a. A member entitled to BAQ under 37 U.S.C., Section 403 is entitled to a VHA under this subsection whenever assigned to duty in an area of the U.S. (including Alaska or Hawaii) which is considered a high cost housing area. A member with dependents who is assigned to an unaccompanied tour of duty outside the U.S. is entitled to a VHA while serving such a tour of duty for any period during which the member's dependents reside in an area of the U.S. which would qualify the member to receive a VHA payment if assigned to duty in that area.

PART II - JUSTIFICATION OF FUNDS REQUESTED

A projection of eligible personnel was developed from a relationship between actual FY 1987 VHA payments and actual BAQ payments at both the full with dependent rate and the full without dependent rate. No adjustment for inflation was made for FY 1987 or FY 1988. FY 1989 was adjusted 3.4% for inflation.

In FY 85 congress restructured the VHA program to improve its cost effectiveness and reduce excessive out-of-pocket expenses for adequate housing. This housing allowance program was designed whereby basic allowance for quarters (BAQ) was set at 65%, and members are supposed to absorb 15% of the National Median Housing Cost, with VHA accounting for the remaining balance based on the locality. However with VHA capped in FY 87 and frozen in FY 88 members are now absorbing 22.5%.

The impact of freezing VHA in FY 88 required DOD to readjust VHA rates to the latest variable housing survey which resulted in 35% of Air Force VHA recipients receiving higher VHA payments, 64% receiving lower payments and 1% unchanged. Due to this readjustment, 11% of AF members suffered a net loss in pay after taking into account the 2% pay raise.

Dollar impacts associated with these changes are summarized in the Schedule of Increases and Decreases.

The computation of requirements is provided by the following table(s):

(Amount in Thousands of Dollars)

Variable Housing Allowance

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Chief Master Sergeant.....	2,863	\$1,571	\$ 4,500	2,888	\$1,571	\$ 4,540	2,570	\$1,689	\$ 4,343
Senior Master Sergeant.....	5,195	1,477	7,677	5,263	1,477	7,777	4,696	1,577	7,410
Master Sergeant.....	19,273	1,354	26,106	19,724	1,354	26,717	18,910	1,409	26,647
Technical Sergeant.....	26,888	1,167	31,404	27,492	1,167	32,110	25,866	1,218	31,520
Staff Sergeant.....	46,297	1,005	46,567	46,760	1,005	47,033	45,180	1,046	47,287
Sergeant.....	41,351	865	35,772	40,235	865	34,806	38,115	917	34,962
Airman First Class.....	26,081	832	21,711	25,938	832	21,592	23,729	901	21,396
Airman.....	5,493	887	4,874	4,814	887	4,271	4,903	994	4,875
Airman Basic.....	1,859	844	1,570	1,231	844	1,040	1,883	866	1,631
Total Variable Housing Allowance.....	175,300		\$ 180,181	174,345		\$ 179,886	165,852		\$ 180,071

(In Thousands of Dollars)

PROJECT: Station Allowances, Overseas

FY 1989 Amended Estimate	\$254,678
FY 1989 Change	+ 34,399
FY 1989 Initial Estimate	220,279
FY 1988 Estimate	228,200
FY 1987 Actual	291,527

PART I - PURPOSE AND SCOPE

Funds requested provide payment of a per diem allowance to enlisted personnel on duty outside the continental United States. The station allowances consider all elements of the cost of living, including quarters, subsistence and other necessary incidental expenses as prescribed by Joint Travel Regulations and authorized under the provisions of 37 U.S.C. 403 and 405.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The baseline used to compute Cost of Living and Overseas Housing Allowances (COLA and OHA) was actual data for October 1986. The computation of requirements assumes the US dollar's value against other currencies remained level, pending creation of the foreign currency fluctuation account for the MPA.

Rates are adjusted upward in COLA to reflect the increase in Spendable Income Tables effective 1 March 1987. The 2% pay raise in FY 1988 and the programmed 4.3% pay raise in FY 1989 included.

Dollar amounts associated with the above adjustments are summarized in the Schedule of Increases and Decreases.

Details of the cost computation are provided in the following table:

(Amount in Thousands of Dollars)

Cost of Living

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Chief Master Sergeant..	1,099	\$2,302	\$ 2,530	1,132	\$1,950	\$ 2,207	1,132	\$2,138	\$ 2,420
Senior Master Sergeant.	2,115	2,167	4,583	2,096	1,889	3,959	2,096	2,072	4,343
Master Sergeant.....	8,503	2,058	17,499	8,475	1,788	15,153	8,475	1,963	16,636
Technical Sergeant.....	12,587	1,812	22,808	12,423	1,607	19,964	12,423	1,768	21,964
Staff Sergeant.....	24,952	1,544	38,526	24,626	1,400	34,476	24,626	1,545	38,047
Sergeant.....	27,750	1,192	33,078	26,791	1,112	29,792	26,791	1,233	33,033
Airman First Class.....	20,428	902	18,426	19,745	903	17,830	19,745	1,007	19,883
Airman.....	7,004	721	5,050	6,803	785	5,340	6,803	880	5,987
Airman Basic.....	748	596	446	901	709	639	901	798	719
Total Cost of Living.....	105,186		\$ 142,946	102,992		\$ 129,360	102,992		\$ 143,032

(Amount in Thousands of Dollars)

Housing Allowance

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
Chief Master Sergeant...	428	\$3,352	\$ 1,435	417	\$2,449	\$ 1,021	369	\$2,912	\$ 1,075
Senior Master Sergeant..	885	2,953	2,613	784	2,138	1,676	676	2,540	1,717
Master Sergeant.....	3,766	2,695	10,149	3,369	1,970	6,637	2,983	2,343	6,989
Technical Sergeant.....	6,155	2,529	15,566	5,561	1,809	10,060	5,009	2,151	10,774
Staff Sergeant.....	12,830	2,448	31,408	12,480	1,753	21,877	11,399	2,085	23,767
Sergeant.....	14,149	2,348	33,222	13,063	1,673	21,854	12,115	1,990	24,109
Airman First Class.....	7,520	2,447	18,401	6,869	1,819	12,495	6,071	2,163	13,132
Airman.....	1,173	2,554	2,996	946	1,842	1,743	654	2,191	1,433
Airman Basic.....	53	2,444	130	37	1,678	62	13	1,995	26
Subtotal Housing Allowance.....	46,959		\$ 115,920	43,526		\$ 77,425	39,289		\$ 83,022
Temporary Lodging Allowance.....	86,633	377	\$ 32,661	58,034	369	\$ 21,415	74,932	\$ 382	\$ 28,624
Total.....			\$291,527			\$228,200			\$254,678

(In Thousands of Dollars)

PROJECT: Clothing Allowances

FY 1989 Amended Estimate	\$82,291
FY 1989 Change	-8,375
FY 1989 Initial Estimate	90,666
FY 1988 Estimate	75,948
FY 1987 Actual	71,090

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for prescribed clothing, authorized by the Secretary of Defense under the provisions of U.S.C. 418. Included are:

- (1) Initial clothing allowance upon enlistment and civilian clothing allowance when authorized.
- (2) Basic replacement allowance payable to a member upon completion of six months active duty for the remainder of the first three years of continuous service and the standard replacement allowance payable to a member upon completion of 36 months of active duty through the remainder of continuous active duty. Both basic and standard replacement allowances are cash payments. Effective October 1, 1985, all replacement allowances are paid annually.
- (3) Supplemental clothing allowances for personnel assigned to special organizations or details where the nature of duties require additional items of individual uniform clothing.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Initial clothing allowances are based on programmed numbers by type of accession. The rates prescribed by the Secretary of Defense were used. The type of clothing maintenance allowance paid is determined by the average longevity of the enlisted force. Civilian initial allowances and supplemental clothing allowances are based on FY 1987 experience.

Details of the cost computation are provided in the following tables:

Amount in Thousands of Dollars)

Clothing-Initial Allowances

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Average Rate	Amount	Number	Average Rate	Amount	Number	Average Rate	Amount
Military Clothing									
Civilian Life (Male).....	45,510	\$455.10	\$20,712	32,555	\$510.95	\$16,634	41,435	\$523.62	\$21,696
Civilian Life (Female).....	10,320	558.71	5,766	7,855	607.37	4,771	9,604	619.44	5,949
Officer Training School (M).	995	395.59	394	775	423.77	328	1,345	423.77	570
Officer Training School (F).	178	491.60	88	137	526.62	72	183	526.62	96
AF Academy Prep (Male).....	215	340.38	73	215	364.62	78	215	364.62	78
AF Academy Prep (Female)....	35	440.14	15	35	461.13	16	35	461.13	16
Subtotal.....			\$27,048			\$21,899			\$28,405
Less: Basic Military Training Attrition.....			-663			0			0
Total.....			\$26,385			\$21,899			\$28,405
Civilian									
Winter & Summer.....	1,159	727.30	843	1,159	701.30	813	1,159	701.30	813
Winter or Summer.....	170	299.79	51	170	343.79	58	170	343.79	58
TDY.....	367	250.48	92	367	222.48	82	367	222.48	82
Special Continuing Dual.....	376	413.09	155	376	401.09	151	376	401.09	151
Special Continuing Single....	29	203.19	6	29	163.19	5	29	163.19	5
Total.....	2,101		\$ 1,147	2,101		\$ 1,109	2,101		\$ 1,109

Subtotal, Initial Alws...

Clothing - Maintenance Allowance	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount
			\$27,532			\$23,008			\$29,514

Basic Maintenance Allowance

Military Clothing									
Airmen (Male).....	115,933	\$ 68.40	\$ 7,930	111,575	\$ 86.40	\$ 9,640	107,293	\$ 88.77	\$ 9,524
Airmen (Female).....	22,083	90.00	1,987	19,535	104.46	2,041	18,786	112.50	2,113
Standard Maintenance Allowance									
Military Clothing (37th Month)									
Airmen (Male).....	290,992	97.20	\$28,284	288,092	122.40	\$35,262	279,951	125.70	35,190
Airmen (Female).....	35,196	126.00	4,435	33,564	151.20	5,075	32,843	153.10	5,028
Savings due to change in FY 1986 in payment method.									
Total FY 1986 Requirement..									

Subtotal, Maintenance Allowance.....

	464,204	\$ 42,636	452,766	\$ 52,018	438,873	\$51,855
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Clothing-Supplemental Allowance

	10,297	89.57	922	10,297	89.57	922	10,297	89.57	922
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TOTAL Clothing Allowance

			\$71,090			\$75,948			\$82,291
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(In Thousands of Dollars)

FY 1989 Amended Estimate	\$12,316
FY 1989 Change	+263
FY 1989 Initial Estimate	12,053
FY 1988 Estimate	12,008
FY 1987 Actual	14,658

PROJECT: Family Separation Allowances - Enlisted

PART I - PURPOSE AND SCOPE

Funds provide Family Separation Allowance (FSA) payments, under the provisions of 37 U.S.C. 427, to enlisted personnel with dependents to compensate for added expenses incurred because of forced separation from dependents when:

- (1) Travel of dependents to overseas duty station is not authorized and the member is required to maintain two homes, one in CONUS for his family and one overseas and/or
- (2) When a member with dependents makes a permanent change of station or is on temporary duty travel for thirty days or more either in CONUS or overseas, and the travel of dependents to his duty station is not authorized and dependents do not reside at or near the duty station.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Allowances for family separation payments are determined by multiplying the number of personnel eligible for each type of family separation allowance by the applicable statutory rate. Beginning in FY 1988 FSA-Type II was reduced for members who elect to serve unaccompanied in accompanied tour areas overseas.

Details of the cost computation are provided in the following tables:

(Amount in Thousands of Dollars)

PCS overseas with dependents not authorized and maintains two homes

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Manyyears	Statutory Rate	Amount	Manyyears	Statutory Rate	Amount	Manyyears	Statutory Rate	Amount
Chief Master Sergeant...	30	\$3,984.72	\$ 120	33	\$4,074.24	\$ 134	33	\$4,224.60	\$ 139
Senior Master Sergeant.	55	3,691.68	203	54	3,774.60	204	54	3,916.20	211
Master Sergeant.....	306	3,152.04	965	297	3,222.84	957	298	3,344.04	997
Technical Sergeant.....	386	2,798.28	1,080	418	2,861.04	1,121	420	2,968.68	1,247
Staff Sergeant.....	519	2,587.44	1,343	622	2,645.52	1,646	624	2,742.12	1,711
Sergeant.....	275	2,244.36	617	312	2,294.76	716	313	2,381.64	745
Airman First Class.....	64	2,180.04	140	78	2,229.00	174	78	2,311.08	180
Airman.....	12	1,851.24	22	15	1,892.76	28	15	1,961.76	29
Airman Basic.....	2	1,686.84	3	2	1,724.64	3	2	1,787.16	4
Subtotal.....	1,649		\$ 4,493	1,831		\$ 4,983	1,837		\$ 5,263
PCS CONUS or overseas with dependents not authorized.....	9,615	\$ 720.00	\$ 6,923	5,536	\$ 720.00	\$ 3,986	5,558	\$ 720.00	\$ 4,002
TDY CONUS or overseas for more than 30 days with dependents not residing near TDY station.....	4,503	\$ 720.00	\$ 3,242	4,221	\$ 720.00	\$ 3,039	4,237	\$ 720.00	\$ 3,051
Total Family Separation Allowance.....			\$14,658			\$12,008			\$12,316

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$56,426
FY 1989 Change	+7,842
FY 1989 Initial Estimate	48,584
FY 1988 Estimate	69,195
FY 1987 Actual	54,873

PROJECT: Separation Payments - Enlisted

PART I - PURPOSE AND SCOPE

Funds provide payment to enlisted personnel for:

- (1) Lump sum terminal leave payments for unused accrued leave at time of discharge, reenlistment or death under provisions of 37 U.S.C. 501; and
- (2) Severance pay to members separated for physical disability under provisions of 10 U.S.C. 1212; and
- (3) Donations for discharge under certain conditions under the provisions of 10 U.S.C. 1048.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Lump Sum Terminal Leave (LSTL) is accrued leave paid to a member upon retirement or separation. Members reenlisting on their date of separation have the option to receive pay for all or a portion of their accrued leave. The total requirement for separation payments is determined by multiplying the projected number of payments by the estimated average cost per payment. For leave accumulated prior to September 1976 and retained throughout a member's career, payments include basic pay, \$1.25 per day quarters allowance to members in pay grade E-5 through E-9 with dependents, and 70¢ per day to all members for subsistence. For leave accumulated after September 1, 1976, to include lowering of the leave balance earned as of September 1, 1976, the rate payable is basic pay only. Leave payments will not exceed a career total of 60 days. Severance pay for disability is computed at two months basic pay at the grade held at time of discharge multiplied by the number of years active service, but not more than twelve.

The number of payments are expected to rise in FY 1988 and decrease in FY 1989. The increase in FY 1988 is due primarily to a shift of FY 1989 losses into FY 1988. This shift also accounts for the subsequent decrease in payments in FY 1989. Rates used in these calculations reflect the 2% 1 January 1988 and 4.3% 1 January 1989 pay raises.

Details of the cost computation are provided in the following table:

(Amount in Thousands of Dollars)

Lump Sum Terminal Leave Payments

Grade	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate					
	Number	Average Days	Rate	Number	Average Days	Rate	Number	Average Days	Rate			
Chief Master Sgt.....	818	11.6	\$ 941.65	\$ 770	748	11.6	\$ 958.13	\$ 717	793	11.6	\$ 991.27	\$ 786
Senior Master Sgt.....	1,328	13.0	877.66	1,166	1,446	13.0	893.02	1,291	1,622	13.0	923.91	1,499
Master Sergeant.....	5,521	16.8	1,276.55	7,048	6,299	16.8	1,298.89	8,182	5,751	16.8	1,343.82	7,728
Technical Sergeant....	5,831	24.6	1,147.64	6,692	6,422	24.6	1,167.72	7,499	6,089	24.6	1,208.12	7,356
Staff Sergeant.....	12,807	24.6	947.11	12,130	12,348	24.6	963.68	11,900	10,425	24.6	997.02	10,394
Sergeant.....	22,814	21.4	709.20	16,180	35,127	21.4	762.39	26,780	22,980	21.4	746.57	17,156
Airman First Class....	6,127	16.8	471.17	2,887	7,871	21.0	633.52	4,986	7,090	16.8	496.00	3,517
Airman.....	2,813	15.9	394.61	1,110	1,990	15.9	401.52	799	2,227	15.9	415.41	925
Airman Basic.....	5,471	8.7	192.16	1,051	4,636	8.7	195.52	906	4,597	8.7	202.29	930
Subtotal.....	63,530		\$ 49,034	\$ 63,060	61,574							\$ 50,291
Severance Pay (Dis- ability).....	528		\$ 11,059	5,839	530		\$ 11,575	6,135	530		\$ 11,575	6,135
Total Separation Payments.....	64,058		\$ 54,873	77,417			\$ 69,195	62,104				\$ 56,426

(In Thousands of Dollars)

PROJECT: Social Security Tax - Employer's Contribution

FY 1989 Amended Estimate	\$568,949
FY 1989 Change	+12,058
FY 1989 Initial Estimate	556,891
FY 1988 Estimate	563,548
FY 1987 Actual	457,776

PART I - PURPOSE AND SCOPE

Funds represent the Air Force contribution (as an employer) as required by the Federal Insurance Contribution Act (FICA) under provision of 26 U.S.C. 3101 and 3111.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Social Security costs are computed by determining the average numbers of personnel paid by grade and longevity pay step, computing the total amount paid in each pay step, and applying the proper FICA rate within the total annual limit on taxable income for a calendar year. (Note: FY88 Pay raise 1 January 1988 2% and FY89 1 January 1989 4.3%.)

P.L. 92-216 and P.L. 98-21, dated 20 April 1983, establishes the tax rate while the maximum taxable income is determined by the Social Security In CY 1987 the tax rate was 7.15%, and maximum taxable income increases to \$43,800. The tax rate in both CY 1988 and 1989 is 7.51%. The maximum taxable income in CY 1988 and 1989 is \$45,000 and \$48,000 respectively. The FICA computations are based on basic pay and the percentage rate set by law for a given calendar year. Funding for FY 1988 and FY 1989 included \$78,706 to fund military service credits for social security. The decision was made to transfer this requirement to the Military Personnel Appropriation from the Department of Health and Human Services.

The computation of FICA requirements are based on basic pay and are provided by the following table:

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Average		Amount	Average		Amount	Average		Amount
	Workyears	Rate		Workyears	Rate		Workyears	Rate	
Enlisted.....	495,774	\$923.76	\$457,974	482,658	\$1,168.11	\$563,798	469,192	\$1,213.15	\$569,199
Less: Fines & Forfeitures..			-178			-250			-250
Total.....			\$457,796			\$563,548			\$568,949
Adjustment to be consistent with final obligations			-\$ 86,164						

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DEPARTMENT OF THE AIR FORCE JUSTIFICATION OF AMENDED
FISCAL YEARS 1988/19 (U) DEPARTMENT OF THE AIR FORCE
WASHINGTON DC FEB 88

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Schedule of Increases and Decreases
(In Thousands of Dollars)

3. <u>Pay and Allowances of Cadets</u>		<u>Amount</u>
FY 1988 Direct Program		\$33,823
Basic Pay	1,025	
- Increase of 10 manyears	60	
- FY 1989 4.3% Programmed pay raise, 1 January 1989	837	
- Annualization of 2% pay raise effective 1 January 1988	128	
Social Security (FICA)	97	
- Rate increase due to pay raises in FY 1988 and FY 1989		
Total Increases		1,122
<u>Decreases:</u>		
Operational Rations	3	
Total Decreases		3
FY 1989 Direct Program		34,942

(In Thousands of Dollars)

PROJECT: Academy Cadets

FY 1989 Amended Estimate \$34,942
 FY 1989 Change + 1,075
 FY 1989 Initial Estimate 33,867
 FY 1988 Estimate 33,823
 FY 1987 Actual 33,692

PART I - PURPOSE AND SCOPE

The funds requested are (a) for basic pay, committed rations allowance, and employer's share of FICA tax for cadets appointed to the United States Air Force Academy, under the provisions of 37 USC 201, 203, and 422 and the Federal Insurance Contributions Act; and (b) for the difference between the value of the committed ration allowance and the cost of operational rations.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Requirements are determined by applying statutory rates to the projected manyears. The FY 1989 estimates are based on an Academy cadet program with beginning and end strengths of 4,417 and manyears of 4,280. The operational rations program funds rations required in specialized summer programs: basic cadet training field exercises, survival training for upper classes and the cadet flying program. The FY 1988 2% pay raise and the programmed 4.3% FY 1989 pay raise have been included in the requirements.

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate				
	Workyears	Average Rate	Amount	Workyears	Average Rate	Amount			
Basic Pay.....	4,345	\$5,889.60	\$ 25,590	4,270	\$6,021.84	\$ 25,713	4,280	\$6,247.08	\$ 26,738
Subsistence									
a) Subsistence Allowance		1,387.00	6,027		1,390.80	5,939		1,387.00	5,936
b) Operational Rations	310	847.23	263	310	847.23	263	310	847.23	263
TOTAL			6,290			6,202			6,199
Social Security Tax - Employer's Contribution.....		417.03	1,812		446.82	1,908		468.45	2,005
Total Academy Cadets.....			\$ 33,692			\$ 33,823			\$ 34,942
Adjustment to be consistent with final obligations									
			-\$ 156						

Schedule of Increases and Decreases
(In Thousands of Dollars)

	<u>Amount</u>
4. <u>Subsistence of Enlisted Personnel</u>	<u>\$869,035</u>
<u>FY 1983 Direct Program</u>	
<u>Increases:</u>	
<u>Basic Allowance for Subsistence (BAS)</u>	<u>+\$29,182</u>
- BAS increase due to the annualization of 1 January 1988 2% pay raise plus a 4.3% pay raise effective 1 January 1989	
<u>Subsistence-In-Kind (SIK)</u>	<u>+\$ 5,082</u>
- The increase in SIK results primarily from (1) increase in rates (+\$2,105), (2) increased operational ration requirements due to rotation of R rations through field feeding, specified rotation through dining facilities, and for shelf-life expiration charges (+\$682), (3) workyears increase for Overseas Dining Halls (+2,058), (4) new food program (+\$3), rate increase for operational rations (+\$151) and rate increase for augmentation rations (+\$83).	
<u>Total Increases</u>	<u>+\$34,264</u>
<u>Decreases:</u>	
<u>Basic Allowance for Subsistence (BAS)</u>	<u>-\$24,222</u>
- The decrease in the FY 89 BAS results from a decrease in total Air Force manyears (-11,002 manyears, -\$22,107) and decrease rates (-\$2,115) due to FY88 Leap Year.	
<u>Subsistence-In-Kind (SIK)</u>	<u>-\$ 4,837</u>
- SIK requirements decreased because of (1) a decrease in workyears in CONUS Dining Halls (-\$3,831) and (2) a reduction in the number of operational rations projected for use in FY 89 (-\$1,006)	
<u>Total Decreases</u>	<u>-\$29,059</u>
<u>FY 1989 Direct Program</u>	<u>\$874,240</u>

POLICY AND/OR PRICE CHANGES:

1. POLICY CHANGE

- There are no policy changes in FY 1988 and FY 1989.

2. PRICE CHANGES

- The F. 88-89 program include a 2% pay raise effective 1 January 1988.
- The FY 89 program include a 4.3% pay raise effective 1 January 1989.
- Subsistence-In-Kind rates have been adjusted to include inflation changes and anticipated stock fund price adjustments.

(In Thousands of Dollars)

PROJECT: Basic Allowance for Subsistence

FY 1989 Amended Estimate	\$797,711
FY 1989 Change	+\$21,356
FY 1989 Initial Estimate	\$776,355
FY 1988 Estimate	\$792,751
FY 1987 Actual	\$793,826

PART I - PURPOSE AND SCOPE

Funds provide for the payment of subsistence allowances to active duty enlisted personnel under the provisions of 37 U.S.C. 402. Included are allowances when (1) individual is authorized to mess separately; (2) individual is in leave status; (3) Rations-In-Kind are not available; (4) individual is assigned under emergency conditions where government messing facilities are not available; and (5) augmentation of subsistence allowance for meals taken separately is authorized (P.L. 253 - 84th Congress).

PART II - JUSTIFICATION OF FUNDS REQUESTED

The requirement is based on the average number of enlisted personnel entitled to receive the several types of allowances. Distribution of personnel in the various categories is developed on the basis of actual experience which indicates that approximately 81% of enlisted personnel draw basic allowance for subsistence (BAS) in lieu of subsisting in Air Force dining halls.

BAS rates are predicated on the same percentage increase as the pay raise for military personnel. A 2% pay raise, effective 1 January 1988, has been included in the FY 88 rates, and a 4.3% pay raise effective 1 January 1989, has been included in the FY89 rates making the Authorized to Mess Separately and Leave Rations daily rates \$5.48 in FY 88 and \$5.72 in FY 89 and the Rations-In-Kind daily rate \$6.19 in FY 88 and \$6.46 in FY89.

The FY 89 requirements increased \$4,960 as net result of BAS pay raise minus one day (+\$27,067) offset by decreased BAS workyears (-\$22,107). Air Force enlisted BAS workyears decreased 10,717 in FY 88 and 11,002 in FY 89.

SUMMARY OF PROJECT REQUIREMENTS

	FY 1987 Actual	FY 1988 Estimate	FY 1989 Estimate
When authorized to mess separately.....	\$668,271	\$667,391	\$671,580
When on leave.....	77,370	77,266	77,752
When rations-in-kind not available.....	47,830	47,739	48,024
Augmentation of commuted rations allowance.....	355	355	355
Total Basic Allowance for Subsistence.....	\$793,826	\$792,751	\$797,711

(Amount in Thousands of Dollars)

(1) Basic Allowance for Subsistence	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Average Rate Amount	Number	Average Rate Amount	Number	Average Rate Amount
(a) When authorized to mess separately.....	343,526	\$1,945.33 \$ 668,271	334,438	\$1,995.56 \$ 667,391	325,107	\$2,065.72 \$ 671,580
(b) Leave rations.....	39,772	1,945.33 77,370	38,719	1,995.56 77,266	37,639	2,065.72 77,752
(c) When rations in kind not available.....	21,751	2,198.99 47,830	21,175	2,254.50 47,739	20,584	2,333.06 48,024
(d) Augmentation of commuted rations allowance for meals taken separately.....		355		355		355
Total.....	405,049	\$ 793,826	394,332	\$ 792,751	383,330	\$ 797,711

PROJECT: Subsistence-in-kind

FY 1989 Amended Estimate \$128,845
 FY 1989 Change -\$ 9,304
 FY 1989 Initial Estimate \$138,149
 FY 1988 Estimate \$126,716
 FY 1987 Actual \$124,815

PART I - PURPOSE AND SCOPE

Funds provide for subsistence-in-kind furnished active duty enlisted personnel when they do not receive an allowance for subsistence. Funds requested also include (1) special rations; (2) operational rations; (3) augmentation rations; (4) testing of new food items; and (5) the payment for meals furnished under contract at commercial facilities where the payment of the commuted ration would create an individual hardship or the costs of establishment of a government mess facility are prohibitive.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The requirement is based on the number of rations to be furnished enlisted personnel entitled to be subsisted at government expense. The total average enlisted strength is based on the USAF military personnel program, and the distribution of personnel by category is projected based upon actual experience.

The daily ration rates for FY 1987 are \$3.70 in CONUS and \$3.92 Overseas. FY 1988 daily rates were changed to \$3.64 in CONUS and \$3.92 Overseas. The FY 1989 program contains inflation over FY 1988 resulting in daily ration rates of \$3.77 in CONUS and \$4.06 Overseas.

The total SIK requirement increased \$2,129 primarily due to the increased rates (+\$2,105), increased sale of meals (+\$1,884), increases in operational rations requirements due to rotation of B rations through field feeding and specified rotation through dining facilities for shelf-life expiration charges (+\$682), manyear increase for overseas Dining Halls (+\$2,058), small requirement for the new food program (+\$3) and for rate increase for operational rations (+\$151) and augmentation rations (+\$83). Increases are offset by decreased manyears in CONUS Dining Halls (-\$3,831) and operational rations (-\$1,006).

Details of the fund computations are provided on the following tables:

SUMMARY OF PROJECT REQUIREMENTS

	FY 1987 Actual	FY 1988 Estimate	FY 1989 Estimate
Subsistence-in-messes.....	\$ 65,022	\$ 62,269	\$ 62,484
Special rations.....	3,250	3,379	3,496
Operational rations.....	5,876	8,442	8,265
Augmentation rations.....	2,164	2,182	2,269
Other programs.....	48,503	50,444	52,331
Total subsistence-in-kind.....	\$124,815	\$126,716	\$128,845

Personnel Statistics

(2) <u>Subsistence-in-Kind</u>	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Gross Number	Percent Absent	Net Number	Gross Number	Percent Absent	Net Number	Gross Number	Percent Absent	Net Number
Average enlisted strength.....	495,774			482,658			469,192		
Less number provided for elsewhere (many year equivalent)									
On monetary allowance.....	405,049			394,332			383,330		
Special rations.....	1,617			1,617			1,617		
Operational Rations.....	1,444			1,881			1,614		
Total deductions.....	408,110			397,830			386,561		
Air Force enlisted entitled to be subsisted....	87,664			84,828			82,631		
Plus: Other services entitled to be subsidized in AF messes.....	1,896			1,896			1,896		
Minus: AF enlisted entitled to be subsidized in other services.....	856			854			854		
Total entitled to be subsisted.....	88,704			85,870			83,673		

Distribution of Total Entitled to be Subsisted in Messes

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Gross Number	Percent Absent	Net Number	Gross Number	Percent Absent	Net Number	Gross Number	Percent Absent	Net Number
<u>CONUS</u>									
Air Force.....	62,611	49%	32,245	56,385	49%	28,755	51,249	50%	25,880
Others.....	1,317		1,317	1,317		1,317	1,317		1,317
<u>Overseas</u>									
Air Force.....	24,197	46%	13,187	27,589	46%	14,898	30,528	47%	16,332
Others.....	579		579	579		579	579		579
Total subsisted in messes.....	88,704		47,328	85,870		45,549	83,673		44,108

(Amount in Thousands of Dollars)

(2) Subsistence-in-Kind (Cont'd)	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate					
	Number	Rate		Number	Rate		Number	Rate				
		Daily	Annual		Daily	Annual		Daily	Annual			
(a) Subsistence in Messes												
(1) CONUS												
Air Force.....	32,245	\$3.70	\$1,350.50	\$43,547	28,755	\$3.64	\$1,332.24	\$38,309	25,880	\$3.77	\$1,376.05	\$35,612
Others.....	1,317	3.70	1,350.50	1,779	1,317	3.64	1,332.24	1,755	1,317	3.77	1,376.05	1,812
(2) Overseas												
Air Force.....	13,187	3.92	1,430.80	18,868	14,898	3.92	1,434.72	21,374	16,332	4.06	1,481.90	24,202
Others.....	579	3.92	1,430.80	828	579	3.92	1,434.72	831	579	4.06	1,481.90	858
Total SIK.....	47,328		\$ 65,022	45,549		\$ 62,269			44,108		\$ 62,484	

(b) Special Rations

(1) CONUS.....	1,129	5.16	\$1,883.40	\$ 2,126	1,129	5.35	\$1,958.10	\$ 2,211	1,129	5.55	\$2,025.75	\$ 2,287
(2) Overseas.....	488	6.31	2,303.15	1,124	488	6.54	2,393.64	1,168	488	6.79	2,478.35	1,209
Total Special Rations	1,617		\$ 3,250	1,617			\$ 3,379		1,617		\$ 3,496	

(c) Operational Rations	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Quantity	Rate		Quantity	Rate		Quantity	Rate	
		Daily	Annual		Daily	Annual		Daily	Annual
(1) Meal, Ready-to-eat... (cases)	121,892	\$40.60	\$ 4,949	157,085	\$41.00	\$ 6,440	132,100	\$42.00	\$ 5,548
(2) B Rations (meals)...	82,273	1.86	153	88,390	1.92	170	95,723	2.00	191
(3) Tray Packs (meals)...	40,590	3.37	137	91,337	3.49	319	91,337	3.62	331
(4) Food Packets (each)	1,440	1.86	3	1,440	1.93	3	1,440	2.00	3
(5) Food Packets (each)	2,086	5.79	12	544	6.00	3	544	6.23	3
(6) Rotation of Operational Rations (meals).....			622			1,507			2,189
Total Operational Rations.....			\$ 5,876			\$ 8,442			\$ 8,265

(2) Subsistence-in-Kind (Cont'd)	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Quantity	Average Rate	Amount	Quantity	Average Rate	Amount	Quantity	Average Rate	Amount
<u>(d) Augmentation Rations</u>									
(1) Supplemental Allowance....	5,370	\$223.50	\$ 1,200	5,354	\$224.60	\$ 1,203	5,370	\$233.13	\$ 1,252
(2) Missile Crew Feeding.....	1,057	223.50	236	1,053	224.60	237	1,057	233.13	246
(3) Combat Alert Feeding.....	1,764	223.53	394	1,759	224.63	395	1,764	233.17	411
(4) Medical.....	7,400	45.20	334	7,400	46.87	347	7,400	48.65	360
Total Augmentation Rations.....			\$ 2,164			\$ 2,182			\$ 2,269
<u>(e) Other Programs</u>									
(1) New Food Item Program....			31			12			15
(2) Sale of Meals - Bulk SIK.....			48,472			50,432			52,316
Total Other Programs.....			48,503			50,444			52,331
Total Subsistence-in-Kind.....			124,815			126,716			128,845
Basic Allowance for Subsistence.....			793,826			792,751			797,711
Total Obligations.....			\$918,641			\$919,467			\$926,556
Less: Reimbursable Obligations.....			48,472			50,432			52,316
Total Direct Obligations.			\$870,169			\$869,035			\$874,240
Adjustment to be consistent with final obligations			-\$ 8,627						

Schedule of Increases and Decreases
(In Thousands of Dollars)

5. Permanent Change of Station Travel		Amount
FY 1988 Direct Program		\$769,890
<u>Increases:</u>		
Industrial Fund Rate Increases		+17,257
MAC Cargo	16.0% + 5,452	
MAC Passengers	6.2% + 3,789	
MSC POWs	23.8% + 4,674	
MSC Household Goods	76.9% + 2,959	
MMC Household Goods and POWs	7.9% + 383	
Projected Inflation Increases, Effective 10/01/88		+16,520
ICC Household Goods	3.8% +10,743	
International Household Goods	3.8% + 4,179	
Commercial Air Passengers	3.8% + 1,046	
Nontemporary Storage	1.9% + 467	
Trailer Allowances	3.8% + 85	
Move/Program Changes		+14,802
Payraise		+ 1,359
Annualization of FY88 2% Pay Raise, Effective 10/01/88	+ 181	
FY89 4.3% Pay Raise, Effective 01/01/89	+ 1,178	
Temporary Lodging Expense		+873
Total Increases		50,811
<u>Decreases:</u>		
Reimbursement Change		-58
Total Decreases		-58
FY 1989 Direct Program		\$820,643

PURPOSE AND SCOPE

For expenses incident to permanent change of station travel of military personnel either individually or as part of organized units. PCS travel costs include mileage; monetary allowance in lieu of transportation; transportation by common carrier (rail, bus, air or water, including Military Airlift Command (MAC) and Military Sealift Command (MSC)); per diem allowances; actual and necessary expenses and cost of subsistence while in a travel status; issue of meal tickets in lieu of subsistence; travel of dependents and transportation of baggage and household goods, port handling charges for household goods; baggage and privately owned vehicles passing through CONUS Military Traffic Management Command (MTMC) terminals; payments authorized for transportation of dependents and personal and household effects of deceased military personnel; costs of contract packing, crating, handling and temporary storage of household goods; costs of nontemporary storage of household goods; cost of trailer allowances; travel incident to organizational movements on permanent change of station whether for training or non-training purposes; expenses incident to PCS movement of any military group traveling under one order from the same point of origin to the same destination; minor supplies and services incident to troop or organizational PCS movements; expenses and allowances incident to separation travel, discharge or release. Also included is all authorized temporary duty (TDY) travel directly related to and an integral part of PCS movements of individuals or organizational units. Excludes TDY travel other than that directly related to and an integral part of PCS movements. All authorized PCS travel expenses provided for under this budget program account are charged to the same subprogram account cited in the PCS travel order of the military member. The only exception is the cost of contract commercial storage of household goods on a nontemporary basis. The term "CONUS" (Continental United States) applies to the contiguous 48 states.

POLICY AND/OR PRICE CHANGES:

1. Policy Changes:

In FY 1987, the Air Force took aggressive management actions to eliminate unnecessary PCS moves. We implemented a new method of managing overseas rotation with three basic elements -- Indefinite Date Eligible to Return from Overseas (DEROS). In-Place Consecutive Overseas Tours (IPCOOT), and a COT base of preference program. These elements coupled with several incentives to encourage higher voluntary overseas service have slowed our overseas rotation pattern. At the same time a new method of reducing CONUS movement by maximizing use of pipeline resources was instituted. These initiatives, implemented in conjunction with revisions to the DOD PCS Directive, resulted in significant decreases in the number of moves required to support our global commitments. These initiatives have been institutionalized and are reflected in the FY 1989 request.

In FY 1988, the Air Force realigned funds from the PCS program to help offset a funding shortfall in other areas in the Military Personnel Appropriation. In order to do this, extreme measures to further reduce operational and rotational PCS move requirements were implemented. The following shows these temporary measures which are not included in the FY89 budget request, as they create manning gaps and skill level imbalances:

- 85% CONUS Manning Floor - No CONUS to CONUS operational move will be made until the gaining unit manning drops below 85 percent.
- 90% Overseas Manning Floor - No CONUS to overseas rotational move will be made until the unit manning drops below 90 percent. (Excludes sortie generating Air Force Specialty Codes)
- Special Extension of Overseas Tour Program - Allows members with an FY 1988 DEROS, who receive CONUS assignments they do not desire, to "throw back" the assignments in exchange for an extension.

The sustained application of these measures would seriously jeopardize our ability to meet our global commitments and provide equitable treatment for our people.

2. Price Changes:

FY 1989 includes 3.8% inflation for land shipments, international household goods shipments, trailer movements and commercial air travel, along with 1.9% for nontemporary storage of household goods.

FY 1989 also includes a 4.3% pay raise effective 01/01/89 and the annualization of the 2% FY 1988 pay raise effective 01/01/88.

FY 1989 rate adjustments in the industrial funds (MAC, MSC, MTMC).

PERMANENT CHANGE OF STATION TRAVEL
SUMMARY OF PROJECT REQUIREMENT MOVES

(Amount in Thousands of Dollars)

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Accession Travel.....	65,754	\$ 52,024	49,947	\$ 43,019	62,776	\$ 55,596
Training Travel.....	15,546	37,356	14,236	37,760	13,750	38,900
Operational Travel between Duty Stations....	20,433	86,926	19,366	90,955	20,246	98,882
Rotational Travel To and From Overseas.....	90,353	457,641	85,202	448,576	88,124	496,239
Separation Travel.....	65,054	83,653	79,278	107,189	59,854	87,401
Travel of Organized Units.....	97	464	412	1,761	412	1,817
Nontemporary Storage.....		24,891		24,749		25,112
Temporary Lodging Expense.....		6,000		17,410		18,283
Total Obligations.....	257,237	\$ 748,955	248,441	\$ 771,419	245,162	\$ 822,230
Less: Reimbursements.....		1,470		1,529		1,587
Total Direct Program.....		\$747,485		\$769,890		\$820,643
Adjustment to be consistent with final obligations		+\$ 75,524				

SUMMARY OF REQUIREMENTS BY TYPE OF COSTS
(Amount in Thousands of Dollars)

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Amount	Number	Amount	Number	Amount
Travel of Military Member.....	257,237	\$ 110,564	248,441	\$ 103,906	245,162	\$ 106,886
Mileage and Per Diem.....	83,459	33,248	79,082	31,009	81,751	34,003
MAC.....	28,355	13,341	27,165	13,254	28,394	14,381
Commercial Air.....						
Travel of Dependents (family).....	135,630	35,059	149,391	48,373	142,728	55,235
Mileage and Per Diem.....	73,178	27,504	76,440	28,370	78,517	30,901
MAC.....	25,887	12,181	27,596	13,464	27,995	14,179
Commercial Air.....						
Transportation of Household Goods.....	420,975			429,886		453,910
M Tons - MSC.....	86,300	4,534	82,992	3,791	84,129	6,809
S Tons - MAC.....	26,422	40,486	25,506	33,111	25,763	39,526
Other Shipments						
(a) Land Shipment, CONUS and Overseas...	94,820	275,568	92,379	284,462	93,386	293,421
(b) ITGBL.....	56,489	100,387	53,719	108,522	54,865	114,154
Dislocation Allowance.....	92,979	33,560	93,307	34,835	96,613	37,498
Trailer Allowance.....	1,341	2,178	1,442	2,304	1,369	2,304
Transportation of POVs.....	27,465	23,881	26,298	19,131	26,924	24,313
Port Handling Charges.....		5,573		4,728		5,225
Nontemporary Storage.....		24,891		24,749		25,112
Temporary Lodging Expense.....		6,000		17,410		18,283
Total Obligations.....		\$ 748,955		\$ 771,419		\$ 822,230
Less: Reimbursements.....		1,470		1,529		1,587
Total Direct Program.....		\$ 747,485		\$ 769,890		\$ 820,643

PROJECT: Accession Travel

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$55,596
FY 1989 Change	- 4,525
FY 1989 Initial Estimate	60,121
FY 1988 Estimate	43,019
FY 1987 Actual	52,024

PART I - PURPOSE AND SCOPE

Funds provide for the following:

Officers - Covers PCS movements of (1) officers appointed to a commissioned grade from civil life, military academies, Reserve, ROTC, and National Guard officers called or recalled to extended active duty, from home or point where orders were received to first permanent duty station or training school, of twenty weeks or more duration and (2) officers appointed or recalled from enlisted status from station where they served as enlisted to new permanent duty station or training school of twenty weeks or more duration. (Includes officers appointed from enlisted status upon graduation from Officer Training School).

Enlisted - Covers PCS movements of (1) enlistees, reenlistees and prior service personnel from recruiting station or place of enlistment to first permanent duty station or training school of twenty weeks or more duration and (2) recalled enlisted reservists from home to first permanent duty station or training school of twenty weeks or more duration.

Cadets - Covers PCS movements of (1) individuals selected as Air Force Academy Cadets upon entry into the Academy and (2) individuals who travel to the academies but fail to pass the entrance physical examinations and are required to return home.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for accession travel cover PCS movements of members entering on active duty. The PCS requirements for accession travel are based upon officer, enlisted and cadet gains as reflected in the Air Force personnel programs. These gains are required to meet planned Air Force manpower levels. This category of move results primarily from approved end strengths and separation/retirements from the Air Force; consequently, adjustments in accession travel can only be accommodated via adjustments in officer, enlisted or cadet strengths. Officer accessions include Academy Graduates, Air Force Reserve Officer Training Corps (ROTC), Medical Officers, Reserve Officers and Officer Training School (OTS) graduates. Enlisted accessions include prior and nonprior service personnel, recalled reserves, USAF Preparatory School, and Officer Training School (OTS).

The increase between FY 88 and FY 89 is driven by an increase of 12,829 moves, resulting primarily from an increase of 10,000 enlisted non-prior service accessions, plus an increase in industrial fund rates and the inclusion of 3.8% inflation.

Average rates are based upon statistical data, ratios and percentages derived from actual accession PCS move costs during a given accounting period. The number of accession moves (officer, enlisted and cadet) times the appropriate rates for each element of expense (e.g., military member, dependents, household goods, etc.) results in the estimated funding required.

The number of moves and the associated fiscal year requirements are shown in the tables on the following pages.

(Amount in Thousands of Dollars)

Officer Accession Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	6,831	\$ 376.23	\$ 2,570	6,807	\$ 408.40	\$ 2,780	8,522	\$ 410.58	\$ 3,499
(2) Dependent Travel.....	2,403	275.07	661	2,873	384.27	1,104	3,597	386.71	1,391
(3) Transportation of Household Goods									
(a) Land & ITGBL.....	4,984	1,601.52	7,982	4,967	1,646.86	8,180	6,219	1,709.27	10,630
(b) Overseas.....			67			152			229
(4) Dislocation Allowance	706	321.53	227	418	330.14	138	741	340.08	252
(5) Trailer Allowance.....	24	1,063.99	26	24	1,103.36	26	30	1,145.29	34
(6) POW									
(a) MSC.....	102	582.30	59	265	490.88	130	331	607.71	201
(b) Port Handling.....	102	118.52	12	265	105.72	28	331	114.07	38
(7) Port Handling (HHCs)(M Tons)..	209	20.56	4	545	18.34	10	682	19.79	13
Subtotal.....	6,831		\$ 11,608	6,807		\$ 12,548	8,522		\$ 16,287

Amount in Thousands of Dollars)

Enlisted Accession Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	57,610	\$ 466.90	\$ 26,898	41,719	\$ 482.90	\$ 20,146	52,787	\$ 487.70	\$ 25,744
(2) Dependent Travel.....	8,175	176.02	1,439	7,343	174.59	1,282	9,291	175.44	1,630
(3) Transportation of Household Goods									
(a) Land & ITGBL.....	6,974	1,564.09	10,908	5,050	1,608.71	8,124	6,390	1,669.79	10,670
(b) Overseas.....			502			357			544
(4) Dislocation Allowance	0	0.00	0	0	0.00	0	0	0.00	0
(5) Trailer Allowance.....	27	1,256.53	34	19	1,303.02	25	24	1,352.53	32
(6) POW									
(a) MSC.....	552	570.50	315	453	480.93	218	573	595.39	341
(b) Port Handling.....	552	101.26	56	453	90.32	41	573	97.46	56
(7) Port Handling (HHGs)(M Tons)..	1,102	20.87	23	904	18.81	17	1,144	20.10	23
Subtotal.....	57,610		\$ 40,175	41,719		\$ 30,210	52,787		\$ 39,040
Cadet Accession Travel									
(1) Member Travel	1,313	183.55	241	1,421	183.55	261	1,467	183.55	269
(a) Mileage and Per Diem.....									
Total Accession Travel.....	65,754		\$ 52,024	49,947		\$ 43,019	62,776		\$ 55,596

(In Thousands of Dollars)

PROJECT: Training Travel

FY 1989 Amended Estimate	\$38,900
FY 1989 Change	- 2,949
FY 1989 Initial Estimate	41,849
FY 1988 Estimate	37,760
FY 1987 Actual	37,356

PART I - PURPOSE AND SCOPE

Funds provide for the CONUS PCS movements of:

(1) officers and enlisted personnel from previous permanent duty stations to formal service or civilian schools, including technical schools, flying training schools, factory training, and other approved courses of instruction, of 20 weeks duration or more; and (2) officer and enlisted school graduates and eliminees from school to their next permanent CONUS duty station (excludes Academy graduates, OTS graduates, flying training graduates, ROTC graduates and others chargeable as accession travel); and (3) enlisted personnel ordered to training leading to a commission.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for training travel cover PCS requirements for officer and enlisted personnel engaged in Air Force and outside agency training programs. The PCS requirements for training travel are the direct result of Air Force training programs covering technical training, career training and flying training. These types of training are required to maintain the skill level and educational requirements necessary to fulfill the Air Force mission. Adjustments in training travel are directly responsive to training programs which generate the move requirements. This category of travel contains basic and advanced technical training, retraining, professional military education (e.g., Air War, National War and Industrial Colleges, Medical Training, Air Force Institute of Technology) and undergraduate pilot and navigator training.

The increase between FY88 and FY89 is driven by the inclusion of 3.8% inflation, annualization of the Z FY88 payraise and the 4.3% FY89 pay raise. This increase is partially offset by 486 fewer moves.

Average rates are based upon statistical data, ratios, and percentages extracted from actual PCS training move costs.

The number of officer and enlisted training moves times the average rate for each element of expense (e.g., military member, dependent, household goods, etc.) results in the estimated funding required. The number of moves and fiscal year requirements are shown on the following page.

(Amount in Thousands of Dollars)

Officer Training Travel	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Rate	Number	Rate	Number	Rate
(1) Member Travel						
(a) Mileage and Per Diem.....	7,619	\$ 439.56	7,318	\$ 436.87	7,465	\$ 438.04
(2) Dependent Travel						
(a) Mileage (family).....	4,762	378.20	4,616	445.41	4,748	446.50
(3) Transportation of Household Goods..	7,619	2,551.78	7,318	2,602.62	7,465	2,737.17
(4) Dislocation Allowance.....	6,810	396.92	6,603	402.39	6,761	419.17
(5) Trailer Allowance.....	32	1,250.00	31	1,322.58	32	1,343.75
Subtotal.....	7,619	\$ 27,335	7,318	\$ 26,997	7,465	\$ 28,700
<u>Enlisted Training Travel</u>						
(1) Member Travel						
(a) Mileage and Per Diem.....	7,927	309.57	6,918	304.86	6,285	303.90
(2) Dependent Travel						
(a) Mileage (family).....	1,739	253.02	3,042	353.06	2,793	362.69
(3) Transportation of Household Goods..	2,416	2,670.94	2,324	2,800.34	2,147	2,915.70
(4) Dislocation Allowance.....	2,145	294.17	3,433	302.07	3,155	311.25
(5) Trailer Allowance.....	24	1,791.67	19	1,842.11	18	1,944.44
Subtotal.....	7,927	\$ 10,021	6,918	\$ 10,763	6,285	\$ 10,200
Total Training Travel.....	15,546	\$ 37,356	14,236	\$ 37,760	13,750	\$ 38,900

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$ 98,882
FY 1989 Change	-32,222
FY 1989 Initial Estimate	131,104
FY 1988 Estimate	90,955
FY 1987 Actual	86,926

PROJECT: Operational Travel Between Duty Stations

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

(1) officers and enlisted personnel to and from permanent duty stations located within the United States; (2) officers and enlisted personnel to and from permanent duty stations located within an overseas area when no transoceanic travel is involved; and (3) dependents, household goods, personal effects, trailer allowances and privately owned vehicles of officers and enlisted personnel who are interned, missing, or captured when no transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for operational travel cover PCS requirements for operational reassignment of officer and enlisted personnel between both duty stations (1) within the CONUS and (2) within overseas areas. Operational travel also includes moves resulting from force structure changes (activation, inactivation and reorganization of units). Operational moves are predicated upon the approved Air Force force structure and are necessary to support skill leveling among units, to fill new/unprogrammed requirements, and to accommodate valid humanitarian reassignments. The estimates include actions taken by the Air Force to hold operational reassignments and reduce costs to the minimum necessary to carry out the Air Force mission (elimination of maximum CONUS tour lengths, do-it-yourself move program, maximum use of "no cost" moves and consideration of cost in the assignment process).

The increase in FY 89 is driven by the inclusion of 3.8% inflation, an increase of 880 moves in relief of the 85% CONUS manning floor, as well as the full year impact of the FY 88 pay raise and 4.3% FY 89 pay raise.

Average rates are based upon statistical data, ratios and percentages derived from actual PCS operational move costs. The number of officer and enlisted operational moves and associated numbers for each element of expense (e.g., military member, dependent, household goods, etc.) times the average rate results in the estimated funding required. The number of moves and the associated fiscal year requirements are shown on the following page.

(Amount in Thousands of Dollars)

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Officer Operational Travel</u>									
(1) Member Travel									
(a) Mileage and Per Diem...	7,977	\$ 597.54	\$ 4,767	10,283	\$ 597.54	\$ 6,145	10,843	\$ 597.54	\$ 6,479
(2) Dependent Travel									
(a) Mileage (family).....	7,318	440.26	3,222	8,703	495.29	4,311	9,177	495.29	4,545
(3) Transportation of Household Goods.....	7,977	4,231.71	33,756	10,283	4,350.17	44,733	10,843	4,515.49	48,961
(4) Dislocation Allowance.....	7,977	480.26	3,831	9,552	490.47	4,685	10,073	508.79	5,125
(5) Trailer Allowance.....	80	1,179.92	94	103	1,223.58	126	108	1,270.08	137
Subtotal.....	7,977		\$ 45,670	10,283		\$ 60,000	10,843		\$65,247
<u>Enlisted Operational Travel</u>									
(1) Member Travel									
(a) Mileage and Per Diem...	12,456	\$ 414.67	\$ 5,165	9,083	\$ 414.67	\$ 3,766	9,403	\$ 414.67	\$ 3,899
(2) Dependent Travel									
(a) Mileage (family).....	10,133	319.15	3,234	7,389	346.90	2,563	7,649	428.15	3,275
(3) Transportation of Household Goods.....	12,456	2,325.03	28,961	9,083	2,390.14	21,710	9,403	2,480.98	23,329
(4) Dislocation Allowance.....	11,071	258.69	2,864	8,073	264.59	2,136	8,357	274.38	2,293
(5) Trailer Allowance.....	598	1,724.99	1,032	436	1,788.81	780	452	1,856.78	839
Subtotal.....	12,456		\$ 41,256	9,083		\$ 30,955	9,403		\$33,635
Total Operational Travel...	20,433		\$ 86,926	19,366		\$ 90,955	20,246		\$98,882

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$496,239
FY 1989 Change	+ 13,327
FY 1989 Initial Estimate	482,912
FY 1988 Estimate	448,576
FY 1987 Actual	457,641

PROJECT: Rotational Travel to and from Overseas

PART I - PURPOSE AND SCOPE

Funds to provide for the PCS movements of

(1) officers and enlisted personnel from permanent duty stations in CONUS, or training of 20 weeks or more duration, to permanent duty stations overseas; (2) officers and enlisted personnel from permanent duty stations overseas to permanent duty stations in CONUS, or training of 20 weeks or more duration; (3) officers and enlisted personnel from permanent duty stations in one overseas area to permanent duty stations in another overseas area when transoceanic travel is involved; and (4) dependents, household goods, personal effects, trailer allowances and privately owned vehicles of officers and enlisted personnel who are interned, missing or captured when transoceanic travel is involved.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for rotational travel cover PCS of officers and enlisted personnel to and from overseas duty assignments in accordance with policies approved by the Office of the Secretary of Defense for overseas tours. Rotational moves are determined by (1) overseas strength by the various prescribed accompanied and unaccompanied tour lengths (e.g., 36 months, 24 months, 12 months, etc.); (2) average months actually served by tour length; and (3) subtraction of overseas accession/separation moves. The estimates have been significantly reduced by implementation of Air Force PCS initiatives (e.g., homebased program, allowing dependents to remain in base housing, increasing sequential assignments and voluntary overseas tour extension programs, etc.). The only method of adjusting this move category without an adjustment in overseas strengths is to require personnel to serve longer than the prescribed tour length. In the case of the Air Force such an adjustment might severely damage morale without producing an overall reduction in overseas moves. This is because Air Force personnel, primarily as a result of Air Force PCS initiatives, are already averaging tour lengths much longer than prescribed. The cost estimates associated with this move category are based on the longer than prescribed tour length experience.

FY 89 increases are the result of the inclusion of 3.8% inflation, increased industrial fund rates, an increase of 2,922 moves as relief from the 90% overseas manning floor, and the full year impact of the FY 88 pay raise as well as the 4.3% FY 89 pay raise.

The average rates are based upon statistical data, ratios and percentages derived from actual PCS rotational move costs. The number of officer and enlisted rotational moves and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the average rates results in the estimated funding required. The number of moves and fiscal year requirements are shown on the following pages.

Officer Rotational Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	12,816	\$ 1,181.18	\$ 15,138	11,253	\$ 1,181.91	\$ 13,300	12,092	\$ 1,208.48	\$ 14,613
(2) Dependent Travel.....	8,618	1,601.42	13,801	8,622	1,814.78	15,647	9,265	1,855.26	17,189
(3) Transportation of Household Goods									
(a) Land & ITCBL.....	15,947	3,066.59	48,903	14,001	3,160.20	44,246	15,046	3,280.34	49,356
(b) Overseas.....			10,784			8,191			10,777
(4) Dislocation Allowance.....	10,329	440.70	4,552	10,125	452.15	4,578	10,880	469.12	5,104
(5) Trailer Allowance.....	155	2,129.60	330	136	2,208.40	300	146	2,292.32	335
(6) POW									
(a) MSC.....	5,383	1,116.24	6,009	4,726	940.99	4,447	5,079	1,164.95	5,917
(b) Port Handling (M Tons)....	5,383	204.83	1,103	4,726	182.71	863	5,079	197.14	1,001
(7) Port Handling (HUGS) (M Tons).	20,353	33.00	672	17,871	29.44	526	19,203	31.77	610
Subtotal.....	12,816		\$101,292	11,253		\$ 92,098	12,092		\$104,902

(Amount in Thousands of Dollars)

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Rate	Amount	Number	Rate	Amount
<u>Enlisted Rotational Travel</u>						
(1) Member Travel.....	77,537	\$ 1,033.51	\$ 80,135	73,949	\$ 1,030.37	\$ 76,195
						76,032 \$ 1,053.99 \$ 80,137
(2) Dependent Travel.....	51,756	867.86	44,917	52,773	970.04	51,192
						54,260 1,089.44 59,113
(3) Transportation of Household Goods	75,780	2,127.84	161,248	72,274	2,317.20	167,474
(a) Land & ITGBL.....			31,638			26,098
(b) Overseas.....						
(4) Dislocation Allowance.....	53,850	347.58	18,717	54,771	355.66	19,480
						56,314 368.98 20,779
(5) Trailer Allowance.....	180	1,590.01	286	172	1,648.84	284
						176 1,711.50 301
(6) POV	19,702	820.53	16,166	18,790	691.71	12,997
(a) MSC.....						19,320 856.34 16,544
(b) Port Handling.....	19,702	116.90	2,303	18,790	104.27	1,959
						19,320 112.51 2,174
(7) Port Handling (HMGs)(M Tons)	55,780	16.84	939	53,199	15.02	799
						54,697 16.21 887
Subtotal.....	77,537		\$356,349	73,949		\$356,478
						76,032 \$391,337
Total Rotational Travel....	90,353		\$ 457,641	85,202		\$ 448,576
						88,124 \$ 496,239

(In Thousands of Dollars)

PROJECT: Separation Travel

FY 1989 Amended Estimate	\$ 87,401
FY 1989 Change	- 31,175
FY 1989 Initial Estimate	118,576
FY 1988 Estimate	107,189
FY 1987 Actual	83,653

PART I - PURPOSE AND SCOPE

Funds provide for the PCS movements of:

- (1) officers and enlisted personnel upon release or separation from the Air Force from last permanent duty station to home of record or point of entry into the service or to home of selection when authorized by law;
- (2) dependents, household goods, trailer allowances and personal effects of officers and enlisted personnel who are deceased; and (3) eliminated Air Force Academy cadets to home of record or point of entry into the service.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for separation travel cover general separations and retirements from the Air Force. The PCS requirements for separation travel are based upon officer, enlisted and cadet losses as reflected in the Air Force personnel programs. Separation travel covers disability separations, honorable separations, enlisted personnel on expiration term of service and normal early releases, retirements, etc.

The decrease in FY 89 is due primarily to 19,424 fewer moves as a result of the FY 88 enlisted early release program which accelerated FY 89 separation moves into FY 88. This is partially offset by 3.8% inflation and increased industrial fund rates.

Average rates are based upon statistical data, ratios, and percentages derived from actual officer, enlisted and cadet separation PCS move costs. The number of separation moves (officer, enlisted and cadets) and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the appropriate rates for each category results in the estimated funding required.

The number of moves and fiscal year requirements are shown on the following pages.

(Amount in Thousands of Dollars)

Officer Separation Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	8,087	\$ 212.44	\$ 1,718	8,542	\$ 213.30	\$ 1,822	8,447	\$ 214.28	\$ 1,810
(2) Dependent Travel.....	5,877	183.77	1,080	6,876	368.38	2,533	6,808	371.33	2,528
(3) Transportation of Household Goods									
(a) Land & ITCBL.....	4,483	2,971.00	13,319	4,735	3,059.55	14,487	4,683	3,175.95	14,873
(b) Overseas.....			517			474			614
(4) Dislocation Allowance									
(5) Trailer Allowance.....	16	1,671.99	27	33	1,733.85	57	33	1,799.74	59
(6) POV									
(a) MSC.....	452	828.13	374	478	698.11	334	473	864.26	409
(b) Port Handling.....	452	170.62	77	478	152.19	73	473	164.21	78
(7) Port Handling (HHCS) (M Tons).	2,936	28.96	85	3,106	25.83	80	3,068	27.87	86
Subtotal.....	8,087		\$17,197	8,542		\$19,860	8,447		\$20,457

(Amount in Thousands of Dollars)

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
<u>Enlisted Separation Travel</u>									
(1) Member Travel.....	56,540	\$ 254.86	\$14,410	70,363	\$ 256.06	\$18,017	50,952	\$ 258.28	\$13,160
(2) Dependent Travel.....	34,769	118.44	4,118	46,859	177.81	8,332	34,845	212.31	7,398
(3) Transportation of Household Goods									
(a) Land & INGBL.....	12,576	3,549.61	44,640	15,651	3,652.54	57,166	11,333	3,791.40	42,968
(b) Overseas.....			1,512			1,630			1,504
(4) Dislocation Allowance									
(5) Trailer Allowance.....	204	1,294.34	264	465	1,342.23	624	346	1,393.23	482
(6) POW									
(a) MSC.....	1,274	751.99	958	1,586	633.93	1,005	1,148	784.81	901
(b) Port Handling.....	1,274	126.97	162	1,586	113.26	180	1,148	122.21	140
(7) Port Handling (HHCs)(M Tons)	5,920	23.18	137	7,367	20.68	152	5,335	22.31	119
Subtotal.....	56,540		\$ 66,201	70,363		\$ 87,106	50,952		\$ 66,672
<u>Cadet Separation Travel</u>									
(1) Member Travel	427	597.01	255	373	597.01	223	455	597.01	272
(a) Mileage and Per Diem...									
Total Separation Travel....	65,054		\$ 83,653	79,278		\$107,189	59,854		\$ 87,401

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$1,817
FY 1989 Change	-33
FY 1989 Initial Estimate	1,850
FY 1988 Estimate	1,761
FY 1987 Actual	464

PROJECT: Travel of Organized Units

PART I - PURPOSE AND SCOPE

Funds provide for the CONUS or overseas movement of

(1) officer and enlisted personnel directed to move as members of an organized unit movement; and (2) officer and enlisted fillers and replacements directed to move as part of the unit move.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The estimates for organized unit travel include requirements for relocation of Air Force units both within the CONUS and overseas in accordance with published Air Force programs. The estimates are based on point-to-point moves. These moves are required as a result of changes in force positioning and the requirement to maintain strategic and tactical integrity of units.

The Air Force estimate of organized unit move requirements is based on the most comprehensive and factual planning data available. Air Force planned unit move PCS requirements are developed from the Air Force Program - Bases, Units and Priorities (PD) and are the moves actually programmed for the operating and budget years at applicable rates and prices. Anticipated moves are tracked throughout the operating and budget years since operational requirements dictate changes to the initial schedule.

Increases in FY 89 are due to the inclusion of 3.8% inflation, full year impact of FY 88, pay raise on FY 89, as well as the FY 89 pay raise.

The average rates are based upon statistical data, ratios and percentages derived from actual PCS organized unit move costs. The number of officer and enlisted organized unit moves and associated numbers for each element of expense (e.g., military member, dependents, household goods, etc.) times the average rates results in the estimated fund requirements.

The number of moves and fiscal year requirements are shown on the following pages.

(Amount in Thousands of Dollars)

Officer Unit Move Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	62	\$ 596.77	\$ 37	166	\$ 596.39	\$ 99	166	\$ 596.39	\$ 99
(2) Dependent Travel.....	52	442.31	23	141	460.99	65	141	460.99	65
(3) Transportation of Household Goods									
(a) Land & ITGBL.....	62	4,225.80	262	166	4,349.39	722	166	4,518.07	750
(b) Overseas.....									
(4) Dislocation Allowance.....	61	459.02	28	165	484.85	87	165	503.03	83
(5) Trailer Allowance.....									
(6) POW									
(a) MSC.....	0	1,116.24	0	0	940.99	0	0	1,164.95	0
(b) Port Handling.....	0	204.83	0	0	182.71	0	0	197.14	0
(7) Port Handling (HHGs) (M Tons).....	0	33.00	0	0	29.44	0	0	31.77	0
Subtotal.....	62		\$ 350	166		\$ 966	166		\$ 997

Enlisted Unit Move Travel	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Rate	Amount	Number	Rate	Amount	Number	Rate	Amount
(1) Member Travel.....	35	\$ 457.14	\$ 16	246	\$ 443.09	\$ 109	246	\$ 443.09	\$ 109
(2) Dependent Travel.....	28	285.71	8	154	311.69	48	154	311.69	48
(3) Transportation of Household Goods									
(a) Land & ITCBL.....	35	2,314.29	81	246	2,390.24	588	246	2,479.67	610
(b) Overseas.....									
(4) Dislocation Allowance.....	30	233.33	7	167	263.47	44	167	275.45	46
(5) Trailer Allowance.....	1	2,000.00	2	4	1,500.00	6	4	1,750.00	7
(6) POW									
(a) MSC.....		820.53			691.71			856.34	
(b) Port Handling.....		116.90			104.27			112.51	
(7) Port Handling (HHCs)(M Tons)....		16.84			15.02			16.21	
Subtotal.....	35		114	246		795	246		820
Total Unit Move Travel.....	97		464	412		1,761	412		1,817
Temporary lodging expense.....			6,000			17,410			18,283
Nontemporary Storage			24,891			24,749			25,112
Total Obligations.....	257,237		748,955	248,441		771,419	245,162		822,230
Less: Reimbursements.....			1,470			1,529			1,587
Total Direct Obligations.....			747,485			769,890			820,643

Schedule of Increases and Decreases (In Thousand of Dollars)		Amount
6. <u>Other Military Personnel Costs</u>		
FY 1988 Direct Program		\$38,400
Increases:		
Interest on Uniformed Services Savings Deposit Program (USSDP)		+2
- Increase due to accumulation of interest in the deposit base from previous years		
Total Increases		+2
Decreases:		
Unemployment Compensation	-2,294	
- Decrease based on latest projections of unemployment rate and duration of payment from Department of Labor		
Survivor Benefits	- 800	
- Decrease reflects lower Veterans Administration requirements		
Death Gratuities	-6	
- Decrease results from reductions in manyear averages used to forecast program requirements		
Total Decreases		-3,100
FY 1989 Direct Program		\$35,302

In Thousands of Dollars)

PROJECT: Apprehension of Air Force Deserters, Absentees, and Escaped Military Deserters	FY 1989 Amended Estimate	\$98
	FY 1989 Change	-0-
	FY 1989 Initial Estimate	\$98
	FY 1988 Estimate	\$98
	FY 1987 Actual	\$98

PART I - PURPOSE AND SCOPE

The funds are for the expenses of apprehension and delivery of military deserters, absentees, and escaped military prisoners, including the payment for travel of guards; payment of rewards or reimbursement of reasonable and actual expenses to persons or agencies apprehending and detaining or delivering absentees or deserters to military control.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on factors developed from current experience.

The following table provides details of the estimate:

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Rate	Amount	Number	Rate	Amount
Travel and other expenses incident to the apprehension and delivery of deserters, absentees and prisoners			\$98			\$98

(In Thousands of Dollars)

PROJECT: Interest on Uniformed Services
Savings Deposit Program

FY 1989 Amended Estimate \$22
FY 1989 Change -0-
FY 1989 Initial Estimate \$22
FY 1988 Estimate \$20
FY 1987 Actual \$16

PART I - PURPOSE AND SCOPE

The funds are for payment of interest at a rate not to exceed ten percent per annum on any sum of not less than \$5.00 deposited by members of the uniformed services under the provisions of PL 89-538, approved August 14, 1966. This program has been phased out for all members other than for those continued in a MIA status.

PART II - JUSTIFICATION OF FUNDS REQUESTED

The funding required covers interest on the only remaining Air Force account.

The following table provides details of the computation:

	FY 1987 Actual			FY 1988 Estimate			FY 1989 Estimate		
	Number	Amount	Interest Payment	Number	Amount	Interest Payment	Number	Amount	Interest Payment
Officers	1	\$16	\$15.501	1	\$20	\$19.501	1	\$21.501	\$22
Total	1	\$16		1	\$20		1	\$22	

(In Thousands of Dollars)

PROJECT: Death Gratuities

FY 1989 Amended Estimate	\$1,413
FY 1989 Change	-0-
FY 1989 Initial Estimate	1,413
FY 1988 Estimate	1,419
FY 1987 Actual	1,572

PART I - PURPOSE AND SCOPE

The funds are for the payment of death gratuities to beneficiaries of military personnel under the provisions of 10 USC 1475-78.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Fund requirements are based on the most recent mortality rates as applied against the programmed manyyears of personnel and the statutory gratuity amount.

Details of the computation are provided in the following table:

	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate	
	Number	Rate	Number	Rate	Number	Rate
Decedents:						
Officer	76	\$3,000	75	\$3,000	75	\$3,000
Airmen	448	3,000	396	3,000	396	3,000
Total	524	1,572	471	\$1,419	471	\$1,413

(In Thousands of Dollars)

PROJECT: Unemployment Benefits Paid to Ex-Service Members

FY 1989 Amended Estimate	\$24,469
FY 1989 Change	-0-
FY 1989 Initial Estimate	24,469
FY 1988 Estimate	26,763
FY 1987 Actual	22,347

PART I - PURPOSE AND SCOPE

Funds are for payments of unemployment benefits to ex-service members who are discharged or released under honorable conditions as prescribed in Paragraph (1) of Section 8521(a) of Title 5, United States Code. Generally, eligibility is defined as active service in the Armed Forces whereupon the individual was discharged under honorable conditions (and if an officer, did not resign for the good of the service); and had completed his first full term of active service; or was discharged before completing his first term under an early release program, because of hardship, for medical reasons, or for personality disorders or inaptitude (but only if the service was continuous for 365 days or more).

Prior to FY84 the Department of Labor (DOL) budgeted and paid the individual states for the Federal Government's share of applicable unemployment compensation for ex-servicemen. Beginning in FY 1984 (October 1, 1983), the Department of Defense (DOD) was required to budget for the costs of regular and extended unemployment benefits. Funds appropriated for paying these benefits are deposited by DOD into a Treasury account entitled "Federal Employees Compensation Account."

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on Department of Labor and Department of Defense historical experience.

FY 1987			FY 1988			FY 1989		
Actual Number	Avg		Estimated Number	Avg		Estimated Number	Avg	
	Rate	Amount		Rate	Amount		Rate	Amount

Unemployment
Benefits Costs

\$22,347

\$26,763

\$24,469

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$ 9,300
FY 1989 Change	-3,800
FY 1989 Initial Estimate	13,100
FY 1988 Estimate	10,100
FY 1987 Actual	11,500

PART I - PURPOSE AND SCOPE

PROJECT: Survivor Benefits

Funds are requested to provide for payments of restored social security benefits to widows and orphans of Military Personnel, Air Force. These benefits were withdrawn under Public Law 97-35. Public Law 97-35 terminated the "mother's" benefits when the last child in custody of the surviving spouse reached age 16, rather than 18, and affected the "school child" by either eliminating benefit payments or by requiring a reduction in benefits. Section 156 of Public Law 97-377 modified by section 943 of the DOD Authorization Act, FY 1984, P.L. 98-94, 97 Stat, 614, restored these social security benefits to survivors of military members and directed the Department of Defense to budget for this requirement.

In FY 1983 and FY 1984 funding for survivor benefits was included in the Retired Pay, Defense appropriation and transferred to the Veterans Administration (VA), designated by OMB as the administering Agency, for payment to survivors. However, with the change to retired pay accrual starting in FY 1985, the Retired Pay, Defense appropriation was discontinued and funds for survivor benefits transferred to appropriate Military Personnel appropriations. Starting in FY 1985, each Military Department transferred funds from the Military Personnel, appropriation to the VA for payment of the benefits. The Department of Defense is proposing legislation in FY 1985 that would remove survivor benefit costs from the Defense accounts since it is not considered a proper charge to Defense. The benefits for the most part pertain to full-time secondary school students, college or university students.

PART II - JUSTIFICATION OF FUNDS REQUESTED

Cost estimates are based on factors furnished by the Veterans Administration.

	<u>FY 1987 Actual</u>	<u>FY 1988 Estimate</u>	<u>FY 1989 Estimate</u>
Survivor benefits costs	\$11,500	\$10,100	\$9,300
Adjustment to be consistent with final obligations	+\$ 5,550		

DEPARTMENT OF THE AIR FORCE
MILITARY PERSONNEL ASSIGNED OUTSIDE (DOD) (END STRENGTH)

ASSIGNED OUTSIDE DOD:	FY 1987 Actual		FY 1988 Estimate		FY 1989 Estimate				
	Officers	Enlisted	Total	Officers	Enlisted	Total	Officers	Enlisted	Total
Nonreimbursable Personnel:									
Executive Office of the President	3	0	3	10	5	15	11	5	16
Vice President's Office	7	3	10	7	4	11	7	4	11
State Department	3	0	3	1	0	1	1	0	1
Department of Transportation	1	0	1	0	0	0	0	0	0
Arms Control and Disarmament Agency	1	0	1	1	0	1	1	0	1
Energy Department	12	1	13	9	1	10	9	1	10
Interior Department (Trust Islands)*	1	12	13	1	6	7	1	6	7
Department of Justice	1	0	1	1	0	1	1	0	1
Central Intelligence Agency	0	0	0	1	0	1	1	0	1
International Development Agency	0	0	0	2	0	2	2	0	2
National Oceanic & Atmosphere Administration	6	0	6	4	0	4	4	0	4
U. S. Truce Supervision Organization	6	0	6	3	0	3	3	0	3
Environmental Protection Agency	1	0	1	1	0	1	1	0	1
Constitution Bicentennial Commission	1	0	1	0	0	0	0	0	0
Pan American Games	1	1	2	0	0	0	0	0	0
Merchant Marine and Defense	1	0	1	0	0	0	0	0	0
Subtotal - Nonreimbursable Program	45	17	62	41	16	57	42	16	58
Reimbursable Personnel:									
Executive Office of the President	2	0	2	0	0	0	0	0	0
American Red Cross	0	1	1	0	0	0	0	0	0
Central Intelligence Agency	16	0	16	16	28	44	16	28	44
State Department	3	0	3	5	0	5	5	0	5
Arms Control and Disarmament Agency	11	0	11	14	0	14	14	0	14
Transportation Department	19	0	19	19	0	19	19	0	19
Energy Department	0	0	0	5	0	5	5	0	5
National Aeronautics & Space Administration	34	1	35	56	32	88	56	32	88
Classified Activities	26	2	28	22	35	57	20	37	57
Selective Service System	4	0	4	3	0	3	3	0	3
Argonne National Laboratory	0	0	0	1	0	1	1	0	1
National Oceanic and Atmospheric Admin	0	0	0	1	0	1	1	0	1
Subtotal - Reimbursable Program	115	4	119	142	95	237	140	97	237
Total Outside DOD	160	21	181	183	111	294	182	113	295

* Assignment based on rotation of temporary duty and not included in manpower and end strength.

ASSIGNED TO DOD ACTIVITIES IN
SUPPORT OF NON-DOD FUNCTIONS:

ASSIGNED TO DOD ACTIVITIES IN SUPPORT OF NON-DOD FUNCTIONS:	FY 1987 Actual			FY 1989 Estimate			FY 1990 Estimate		
	Officers		Total	Officer		Total	Officer		Total
	Enlisted			Enlisted			Enlisted		
Reimbursable Personnel									
National Aeronautics & Space Administration	4	17	21	4	17	21	4	17	21
Foreign Military Sales	448	769	1,217	452	761	1,213	429	675	1,104
Security Assistance Program	144	41	185	142	39	181	141	38	179
Total - Other Activities	596	827	1,423	598	817	1,415	574	730	1,304
Total Reimbursable	711	831	1,542	738	914	1,652	714	827	1,541
Total Nonreimbursable	45	17	62	42	16	58	42	16	58
Grand Total	756	848	1,604	780	930	1,710	756	843	1,599

REIMBURSABLE PROGRAM

Service: Department of the Air Force
(\$ in Thousands)

<u>SUBSISTENCE</u>	<u>FY 1987 Actual</u>	<u>FY 1988 Estimate</u>	<u>FY 1989 Estimate</u>
Reserve and National Guard	\$ 3,985	\$ 4,046	\$ 3,970
Individual	37,534	38,108	37,395
Other	6,953	7,059	6,927
Subtotal	<u>48,472</u>	<u>49,213</u>	<u>48,292</u>
<u>MEDICAL</u>	<u>5,741</u>	<u>5,829</u>	<u>5,720</u>
<u>FOREIGN MILITARY SALES* (Non-strength)</u>	<u>28,799</u>	<u>29,239</u>	<u>28,693</u>
<u>OTHER NON-STRENGTH</u>			
Surcharge, Misc.	<u>5,026</u>	<u>5,103</u>	<u>5,007</u>
<u>STRENGTH RELATED</u>			
Officer — Basic Pay	31,305	32,271	31,667
— Other Pay and Allowances	11,511	11,511	11,296
Enlisted — Basic Pay	11,868	12,049	11,824
— Other Pay and Allowances	5,128	5,206	5,109
Retired Pay Accrual (Officers & Enlisted)	37,467	37,693	36,176
PCS Travel	1,470	1,529	1,587
Subtotal	<u>98,749</u>	<u>100,259</u>	<u>98,384</u>
<u>TOTAL PROGRAM</u>	<u>\$186,787</u>	<u>\$189,643</u>	<u>\$186,096</u>

*Excludes TAFIS and other programs for which end strength is specifically programmed. These are included in the strength related entry.